



Tourism & Events Department

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Item 16

Date: August 23, 2017
To: The Honorable City Council
From: Karen Churchard, Tourism & Events Director
Subject: August 28, 2017 City Council Meeting, Consent Agenda Item 16
Experience Scottsdale Destination Marketing Services Agreement

An adjustment was made in the 5th financial reporting close for June 2017 that impacts the Experience Scottsdale Destination Marketing Services Agreement Council Action Report, which was submitted on August 15. As reported in City Council Report, Page 5, Table 3, the 4th financial reporting close for June 2017 showed an overpayment of \$172,805 by the city to Experience Scottsdale. However, after further review of collection data received from the Arizona Department of Revenue (ADOR), which was labeled July 2017 collections it was determined the collections were in fact for June 2017 and a 5th financial reporting close adjustment was necessary.

Below highlights the changes to the City Council Report:

Table 3. Experience Scottsdale Revenues from City of Scottsdale

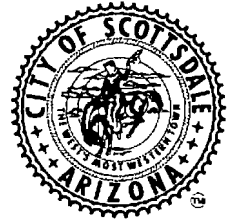
| | FY 2016/17 | FY 2017/18 |
|---|--------------------|--------------------|
| Contract Amount | \$9,357,000 | \$9,720,580 |
| True Up Payment (FY 2015/16) | \$234,165 | \$0 |
| Originally Estimated True Up Payment (FY 2016/17) | \$0 | \$100,000 ** |
| Fiesta Bowl | \$310,850 | \$161,643 |
| | \$9,902,015 | \$9,982,223 |

Source: City of Scottsdale City Treasurer's Office for Contract Amount; Experience Scottsdale for true-up payment and new Fiesta Bowl agreement.

**** When developing the FY 2017/18 budget a \$100,000 true up payment for FY 2016/17 was estimated. After the 5th and likely final close for June 2017, the true up payment to Experience Scottsdale in FY 2016/17 is \$118,475.**

Experience Scottsdale anticipates their total FY 2017/18 operating budget to be approximately \$14,732,390, of which the city contract amount of \$9,720,580 accounts for 66 percent of the total operating budget. An additional \$161,643 from the city will be paid for 50 percent of the Fiesta Bowl contract. Anticipated revenue from other destinations amounts to \$3,435,136 (23 percent), while the private sector revenue is \$915,031 (6 percent) and \$400,000 in private sector carry-over. As noted in Table 3, Experience Scottsdale's budget will be adjusted to reflect the **underpayment** by the city for **\$118,475** versus the originally estimated true-up payment of \$100,000.

CITY COUNCIL REPORT



Meeting Date: *August 28, 2017*
General Plan Element: *Economic Vitality*
General Plan Goal: *Sustain Scottsdale as a tourist destination*

ACTION

Experience Scottsdale Adopt Resolution No. 10895 authorizing Contract No. 2017-079-COS and the use of the Tourism Development Fund for the provision of destination marketing services between the City and the Scottsdale Convention & Visitors Bureau D/B/A Experience Scottsdale.

BACKGROUND

In 2010, the citizens of Scottsdale voted to increase the transient occupancy (bed) tax from 3 percent to 5 percent with 50 percent of the total revenue to be used for destination marketing and 50 percent for tourism-related event support, tourism research, tourism-related capital projects, and other eligible uses as determined by city ordinance and state law.

Since 1977, the city has maintained a destination marketing organization through a public-private partnership. Initially through the Scottsdale Chamber of Commerce's convention and visitors bureau division, in 2001 this function branched off into organizing the non-profit Scottsdale Convention & Visitors Bureau that rebranded as Experience Scottsdale in 2016. For 30 years, Experience Scottsdale (as part of the Chamber and as an independent organization) has promoted Scottsdale and the immediate region as a premiere destination to attract visitors and solicit conventions. And, they have provided long-term development and marketing of Scottsdale and the immediate region through a travel and tourism strategy.

The benefit of the city using a public-private partnership for destination marketing services is to increase the economic benefits of tourism and meetings to Scottsdale, inspire travelers to visit, influence travel throughout the immediate region to increase spending and enhance the visitor experience, and attract conventions, meetings and events to Scottsdale resorts and venues, including city-owned facilities. It is important that whomever the city contracts with for the destination marketing services knows and understands Scottsdale and will market Scottsdale and the immediate region to domestic and international meeting professionals, tour operators, travel agents, leisure travelers and journalists. Furthermore, for maximum effectiveness the city's partner represents the resorts, hotels, facilities, attractions, restaurants and other providers serving travelers within Scottsdale and the immediate region to tell the best destination story to appeal to customers.

In 2016, the City Auditor conducted an audit to evaluate compliance with the terms and effectiveness of controls in the city's destination marketing services agreement with Experience

Scottsdale. This current five-year destination marketing agreement, approved by City Council in 2012, was to expire June 30, 2017 but the expiration date was recently amended to Sept. 30, 2017 by City Council. Audit conclusions include that performance results could be more relevant, and financial oversight and administration of the agreement could be improved. Staff utilized these recommendations in preparing the draft destination services agreement, some noted herein, as well as the FY 2017/18 performance standards. The Audit Follow-up Report submitted to the City Auditor is attached.

In February 2017, the city's Purchasing Department reviewed a single source request, and determined it could be awarded to Experience Scottsdale. Staff is proposing a new five-year destination marketing services agreement with Experience Scottsdale that may be extended for an additional five years, subject to City Council approval.

On April 18, 2017, the Tourism Development Commission reviewed and unanimously recommended that the City Council approve the Experience Scottsdale FY 2017/18 destination marketing guide and performance standards; both are attached along with the agreement. The guide describes the destination marketing plan and tactics to implement next year's program of work and is incorporated into the proposed five-year agreement.

ANALYSIS & ASSESSMENT

Experience Scottsdale will maintain programs that provide a consistent return on investment as well as implement new marketing programs so Scottsdale remains competitive and as a highly-desired destination. The general direction and major activity areas to be undertaken by Experience Scottsdale are reflective of their primary mission as a destination marketing organization, and include: marketing; communications; meeting and convention sales and services; and tourism.

Following are several areas that Experience Scottsdale will focus on in the coming fiscal year to drive new visitation and meeting groups to Scottsdale:

- working closely with the city to increase existing support and promoting the city's event venues, such as WestWorld of Scottsdale, Scottsdale Stadium and Scottsdale Sports Complex as well as work closely with city destinations, such as Downtown Scottsdale, Scottsdale Airport, Scottsdale Arts and Scottsdale's Museum of the West;
- engaging in high impact advertising in the major domestic markets of Chicago, New York, San Francisco and Los Angeles and the top international market of Canada (Calgary, Edmonton, Toronto, Vancouver);
- launching a new culinary microsite "Desert Dish Scottsdale" dedicated to Scottsdale's culinary scene in order to meet the needs of visitors who are traveling in record numbers for culinary experiences;
- connecting with clients in emerging second-tier markets such as Austin, Nashville, Kansas City and Stamford, Conn.;
- targeting high-value social media influencers;

- hosting multi-client events in some of Scottsdale's top revenue markets such as Chicago, San Francisco, and Denver;
- producing and distributing industry research such as the biennial Visitor Industry Customer Analysis;
- supporting the city's tourism strategic plan that includes Experience Scottsdale staff members contributing to working groups.

Leadership of Experience Scottsdale is provided by the 25-member Board of Directors, the vast majority having national and local tourism industry experience, focused solely on ensuring a successful local tourism industry as measured by financial impact in the community. Furthermore, Experience Scottsdale employs 41 full-time and 5 part-time staff necessary for the successful implementation of the city's contract for destination marketing services.

The proposed agreement will be monitored on an ongoing basis by the city's contract administrator through quarterly performance measures, programming updates and financial reports. In addition to the quarterly reports, the terms of the contract call for an annual audit and year-end financial and performance reports. In addition, the contract administrator and other city staff will meet regularly with Experience Scottsdale staff to coordinate on marketing activities.

In preparing the new agreement, staff documented the increased efforts and additional benefits for the city. These include:

- 1) Additional Marketing Objective – Experience Scottsdale will assist the City in its efforts to promote city-owned venues, including WestWorld and Scottsdale Stadium, and Downtown Scottsdale as a key destination within Scottsdale (sec. A.8);
- 2) No-cost advertisement – Experience Scottsdale will provide, at no additional cost to the city, a minimum total of four half-page advertisements for Downtown Scottsdale or other city-owned special events or venues to be placed in the Experience Scottsdale produced guides (sec. 2.1.3.5);
- 3) Fiesta Bowl Event Payment – Experience Scottsdale and the city will equally share in the payment of funds, one-half by the city with non-Destination Marketing Funds and one-half by Experience Scottsdale that may be paid with Destination Marketing Funds (sec. 4.2.1);
- 4) Enhanced Transparency – Experience Scottsdale will provide procurement, travel and compensation policies for review and their filed IRS Form 990, per the agreement (sec. 7.7 and 7.9);
- 5) Non-Program Costs – Experience Scottsdale's administrative/general expenses and personnel costs shall be within a competitive range by comparing the Experience Scottsdale's non-program costs with similar destination marketing organizations as indicated in Destination International's biennial financial profile guide customarily used and referenced by destination marketing organizations (sec. 7.8).

Staff researched standards and comparatives through Destination International's 2015 DMO Organizational & Financial Profile Study comparing destination marketing organizations' organizational and financial profiles. The study shows Experience Scottsdale is in line with similar

DMOs, and compares favorably with regard to the percentage of expenses allocated to programs (See Table 1). While Experience Scottsdale's personnel costs are narrowly higher than similar DMOs (0.6 percent), more than 60 percent of Experience Scottsdale's expenses went to programs, compared with only 57 percent for other similar DMOs.

Table 1. 2015 DMAI Organizational and Financial Profile Study - Expenses

| | All DMOs | Similar DMOs (\$10M+ Budgets) | Experience Scottsdale (DMAI Reported) | Experience Scottsdale (Audited Financials) |
|------------------------|----------|----------------------------------|---|--|
| Personnel | 37.0% | 32.8% | 34.4% | 33.4% |
| Program Expenses | 51.5% | 57.1% | 57.9% | 60.9% |
| Admin/General Expenses | 11.5% | 10.1% | 7.7% | 5.7% |

Source: Destination International

The study previously referenced above also provides the annual budgets of DMOs that participate in the study. Staff compared Experience Scottsdale's 2015 budget against its top competitors (see Table 2). Experience Scottsdale has the 12th lowest budget.

Table 2. 2015 DMAI Organizational and Financial Profile Study – 2015 Income

| Competitive DMOs | 2015 |
|-------------------|---------------------|
| Las Vegas | \$282,353,400 |
| Orlando | \$63,000,000** |
| Los Angeles | \$47,714,095 |
| San Diego | \$33,470,000 |
| Dallas | \$30,600,000 |
| Miami | \$30,339,000 |
| San Antonio | \$20,404,009 |
| Phoenix | \$14,841,561 |
| Austin | \$14,836,310 |
| Houston | \$12,000,000** |
| Palm Springs | \$12,780,748 |
| Scottsdale | \$12,281,097 |
| Tampa | \$11,526,750 |
| Tucson | \$7,137,473 |

Source: Destination International; ** Estimated from other sources; did not participate in the Destination International 2015 study.

Table 3 outlines FY 2016/17 year-end results and anticipated revenues for FY 2017/18 per City Council-approved Comprehensive Adopted Financial Policy 21A and the destination marketing services agreement. FY 2017/18 also includes 50 percent of the Fiesta Bowl expenditure, per the terms of the proposed destination marketing agreement and the 2007-2026 Fiesta Bowl agreement approved by City Council in 2006.

Table 3. Experience Scottsdale Revenues from City of Scottsdale

| | FY 2016/17 | FY 2017/18 |
|---|--------------------|--------------------|
| Contract Amount | \$9,357,000 | \$9,720,580 |
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Source: City of Scottsdale City Treasurer's Office for Contract Amount; Experience Scottsdale for true-up payment and new Fiesta Bowl agreement.

** When developing the FY 2017/18 budget a \$100,000 true up payment for FY 2016/17 was estimated. However, due to the one-time reduction in revenue as a result of timing with the Arizona Department of Revenue taking over the administration, collection and reporting of sales tax beginning January 1, 2017 an overpayment was made by the city to Experience Scottsdale in FY 2016/17 in the amount of \$172,805. Payments from ADOR are now received weekly rather than daily. Arrangements are being made with Experience Scottsdale to true up FY 2016/17 appropriately in FY 2017/18.

Community Involvement

The Destination Marketing program and budget were discussed at the March 21 and April 18, 2017 Tourism Development Commission meetings. As public meetings, there was opportunity for public comment, but no public comments were received about the guide, performance standards, or budget.

RESOURCE IMPACTS

The adopted FY 2017/18 budget forecasts bed tax revenue at \$19,441,159. Fifty percent of the total revenue derived from the bed tax, per voter approval, is used for destination marketing to promote tourism (forecasted at \$9,720,580), and the remaining 50 percent is allocated among tourism research, support for tourism-driven events, tourism-related capital projects, and other eligible uses. The proposed destination marketing services contract amount of \$9,720,580 was planned for and is included in the Tourism Development Fund FY 2017/18 budget, which was adopted by the City Council on June 13, 2017.

Experience Scottsdale anticipates their total FY 2017/18 operating budget to be approximately \$14,732,390, of which the city contract amount of \$9,720,580 accounts for 66 percent of the total operating budget. An additional \$161,643 from the city will be paid for 50 percent of the Fiesta Bowl contract. Anticipated revenue from other destinations amounts to \$3,435,136 (23 percent), while the private sector revenue is \$915,031 (6 percent) and \$400,000 in private sector carry-over. As noted in Table 3, Experience Scottsdale's budget will be adjusted to reflect the overpayment by the city for \$172,805 versus the originally estimated true-up payment of \$100,000.

Future Budget Implications

Per the terms of the proposed agreement, annually the financial agreement, destination marketing guide, performance standards and contract budget will require City Council approval. Any future funding for multi-year Experience Scottsdale commitments such as the 20-year Fiesta Bowl agreement would also require City Council approval.

OPTIONS & STAFF RECOMMENDATION

Adopt Resolution No. 10895 authorizing Contract No. 2017-079-COS and the use of the Tourism Development Fund for the provision of destination marketing services between the City and the Scottsdale Convention & Visitors Bureau D/B/A Experience Scottsdale.

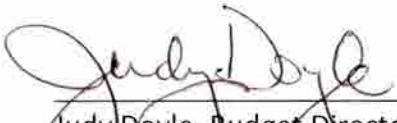
RESPONSIBLE DEPARTMENT

Tourism and Events Department


STAFF CONTACT

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APPROVED BY


Judy Doyle, Budget Director
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8.14.17
Date


Brent Stockwell, Assistant City Manager
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8/14/17
Date


Jim Thompson, City Manager
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8/14/17
Date

ATTACHMENTS

1. Resolution No. 10895
2. Audit Follow-up Report
3. Agreement No. 2017-079-COS
 - Exhibit A - FY 2017/18 Destination Marketing Guide
 - Exhibit B - FY 2017/18 Performance Standards
 - Exhibit C - Fiesta Bowl Agreement
 - Exhibit D - FY 2017/18 Contract Budget

RESOLUTION NO. 10895

A RESOLUTION OF THE COUNCIL OF THE CITY OF SCOTTSDALE, MARICOPA COUNTY, ARIZONA, AUTHORIZING DESTINATION MARKETING SERVICES AGREEMENT NO. 2017-079-COS WITH SCOTTSDALE CONVENTION AND VISITORS BUREAU, INC. D/B/A EXPERIENCE SCOTTSDALE.

WHEREAS:

A. Scottsdale Convention and Visitor's Bureau, Inc., doing business as Experience Scottsdale ("SCVB"), was formed to promote Scottsdale as a tourism destination.

B. The City has enjoyed a long mutually beneficial relationship with SCVB to promote Scottsdale as a tourism destination.

C. Joint marketing programs, promotion of tourist season events and other promotional efforts by City and SCVB to promote Scottsdale as a tourism destination will provide important benefits to Scottsdale's tourism industry and Scottsdale generally.

D. The City and SCVB desire to enter into a five-year Destination Marketing Services Agreement, with the option to extend the agreement for an additional five years, to jointly promote Scottsdale as a tourism destination.

E. City has determined that it will receive direct consideration substantially equal to City's expenditure under Agreement No. 2017-079-COS with SCVB.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Scottsdale, Maricopa County, Arizona, as follows:

Section 1. The Mayor is hereby authorized and directed to execute on behalf of the City of Scottsdale Destination Marketing Services Agreement No. 2017-079-COS.

PASSED AND ADOPTED by the Council of the City of Scottsdale, Maricopa County, Arizona this _____ day of _____, 2017.


CITY OF SCOTTSDALE, an Arizona
municipal corporation

ATTEST:

Carolyn Jagger, City Clerk

W.J. "Jim" Lane, Mayor

APPROVED AS TO FORM:



Bruce Washburn, City Attorney
By: William Hylen
Senior Assistant City Attorney

Audit Follow-Up Request

August 11, 2017

Audit Name: Destination Marketing Contract**Audit Number:** 1705**Division/Area Responsible:** Tourism and Events

| Finding # | Finding | Management Status | Management Comments (previous comments may be shown) |
|-----------|---|-------------------|--|
| 1A | The Contract Administrator should evaluate whether planned performance standards are focused on Scottsdale benefit and propose contract clarifications for the next term. Specifically, consider requiring performance goals be based on the previous year's actual results unless there are known factors supporting lower expectations, such as a change in marketing emphasis. | Implemented | <p>Pending City Council adoption. At the April 18, 2017 Tourism Development Commission meeting, members voted unanimously 7-0 to approve Experience Scottsdale's 2017/18 Destination marketing program and performance measurements. These items along with the Destination Management Services Agreement will be on the Consent Agenda for the August 28 City Council meeting.</p> <p>The destination marketing contract language has been adjusted to clarify how Experience Scottsdale brands the destination and works with partners in other communities (sec. 2.1, 2.4). It also now includes details on the process the City and Experience Scottsdale uses to determine the performance standards each year, including multiple factors, such as the previous year's actual results and notes relevant decisions made by the City and Experience Scottsdale pertaining to performance standard adjustments (sec. 2.1.2.1).</p> <p>Specifically, Experience Scottsdale states in their performance standard document "Each year, Experience Scottsdale prepares a list of performance standards, which is our contractual guarantee to the City of Scottsdale. The performance standards are determined for the subsequent year by both Experience Scottsdale and the City's contract</p> |

Audit Follow-Up Request

August 11, 2017

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| | | | <p>administrator based on multiple factors, including the organization's overall budget (including funding changes from all sources), our prior year performance, priority areas where funds will be deployed in the coming year, economic and business cycles, and the capacity of our staff and resources. We aim to exceed these measures each year by setting higher requirements for individual staff performance in order to provide the City with the greatest return on investment possible."</p> <p>Finally, as Experience Scottsdale and the Contract Administrator discuss and negotiate the fiscal year performance standards, we review all market conditions and changes, such as: 1) during the past three fiscal years, the Phoenix Metropolitan region hosted three mega events. Without a mega event in the coming fiscal year, we all agreed that it may be difficult for Experience Scottsdale to maintain the same number of PR articles; and 2) in regard to convention sales leads, we discussed seeing domestic growth yet noted that Experience Scottsdale has to deploy the same or more resources into Canada to just try and maintain their position due to Canada's economy.</p> |
| 1B-1 | The Contract Administrator should evaluate whether planned performance standards are focused on Scottsdale benefit and propose contract clarifications for the next term. Specifically, consider adding a contract requirement that performance measures report separately on activities benefiting Scottsdale businesses and those including or primarily benefiting non-Scottsdale business. | Not Implemented | <p>This was evaluated by the Contract Administrator and discussed with Experience Scottsdale, City staff and the City Manager. It was decided to not add a contract requirement to report separately on activities benefiting Scottsdale businesses and those including or primarily benefiting non-Scottsdale business. All of Experience Scottsdale's efforts are aimed at marketing "Scottsdale" and efforts to differentiate between locations within Scottsdale versus locations outside Scottsdale might have the unintended consequence of diluting brand strength if other partners were also to require similar emphasis in marketing efforts.</p> |

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| 1B-2 | <p>The Contract Administrator should evaluate whether planned performance standards are focused on Scottsdale benefit and propose contract clarifications for the next term. Additionally, require metrics to be defined, such as specifying unique inquiries and customer contacts. If the City's large recurring events are included in performance results, their impact should be separately identified.</p> | Implemented | <p>Pending City Council adoption. The destination marketing contract language has been adjusted to clarify how Experience Scottsdale brands the destination and works with partners in other communities (sec. 2.1, 2.4).</p> <p>Reports from Experience Scottsdale are now footnoted to make it clear that results in the reports were achieved with City of Scottsdale funds as well as funds from other communities and the State of Arizona Prop 302 funds. In addition, all projects funded fully or partially by Prop 302 dollars are now indicated on quarterly reports to the City. (Note: Implemented immediately following the Audit Report).</p> <p>Language in Experience Scottsdale's 2017-18 performance standards has been updated, including the addition of a glossary of terms to help define what each measurement entails, and to clarify that all measurements are for the Scottsdale market area, which also is defined.</p> <p>The contract language also has been adjusted to detail the process the City and Experience Scottsdale used to determine the performance standards each year. Performance standards have been updated to include all of these items, noting relevant decisions made by the City and Experience Scottsdale pertaining to performance standard adjustments (sec. 2.1.2.1).</p> <p>Information pertaining to new business generated by Experience Scottsdale will be reported to the City annually.</p> |
| 1C | <p>The Contract Administrator should evaluate whether planned performance standards are focused on Scottsdale benefit and propose contract clarifications for the next term. Specifically, consider</p> | Partially Implemented | <p>Pending City Council adoption. Experience Scottsdale's bylaws state their goals to provide leadership and programs, one of which is to promote Scottsdale's best</p> |

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August 11, 2017

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| | specifying that Scottsdale businesses, including nonmembers, are prioritized in promotional efforts and responses to inquiries. | | <p>assets in a manner that supports the community and the Hospitality industry. To accomplish this goal, Experience Scottsdale does represent the best assets i.e. resorts, hotels, facilities, attractions, restaurants and other providers serving travelers within Scottsdale and the immediate region whether or not they are members.</p> <p>Experience Scottsdale is able to best represent all Scottsdale businesses by promoting Scottsdale as a travel destination and through branding efforts. The destination marketing contract language has been adjusted to clarify how Experience Scottsdale brands the destination and works with partners in other communities (sec. 2.1, 2.4).</p> <p>There are aspects of work when Experience Scottsdale includes both members and non-members. As one example, their website www.ExperienceScottsdale.com includes all downtown art galleries. A review of the site shows the majority of galleries are not members, but are still being promoted. The same is true in the nightlife section of the site. Experience Scottsdale has chosen to do so in order to best showcase the destination's depth and breadth in these areas. They also incorporate non-members into media itineraries when a business/product is important to a particular journalist and will help ensure placement of a positive story about Scottsdale. Decisions to incorporate members or non-members into their content and programs are on a case-by-case basis to ensure the best experience for customers and visitors.</p> |
| 2A-1 | The Contract Administrator should consider including additional terms in future destination marketing contracts, such as requiring that expenses that specifically benefit Scottsdale businesses be separately | Not Implemented | The pros and cons of separately tracking expenses that specifically benefit Scottsdale were discussed at several meetings. Experience Scottsdale stated that this change would require hiring additional staff. While the City Auditor |

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| | tracked otherwise expenses will be considered prorated based on funding proportion. | | may not agree, it is not in Contract Administrator's authority to direct a non-profit organization to change its board-adopted accounting practices. |
| 2A-2 | Further, terms should be established related to maintaining a reserve from City Bed Tax dollars and its disposition if the contract is terminated or not renewed. Additionally, advertising or other materials paid for by non-Scottsdale funding should be identified when reporting results. | Partially Implemented | <p>Pending City Council adoption. Experience Scottsdale will continue to maintain a private-sector reserve as directed by their Executive Committee of the board. A reserve from City bed tax dollars was evaluated with the City Treasurer, City Attorney's Office and others, but determined unnecessary as in the case of a recession or other downturn, Experience Scottsdale can use its private-sector reserve to support its marketing and operational efforts.</p> <p>As detailed prior, reports from Experience Scottsdale are now footnoted to make it clear that results in the reports were achieved with City of Scottsdale funds as well as funds from other communities and the State of Arizona Prop 302 funds. In addition, all projects funded fully or partially by Prop 302 dollars are indicated on quarterly reports to the City.</p> |
| 2B | The Contract Administrator should consider including additional terms in future destination marketing contracts, such as requiring that shared Bed Tax revenues pay the cost for the Fiesta Bowl agreement or that Scottsdale only contributes a proportionate share of the costs, including the value of in-kind police services. | Implemented | <p>Pending City Council adoption. The new destination marketing agreement specifies that Experience Scottsdale will pay one-half of the Fiesta Bowl payment, which may be paid with Destination Marketing Funds, and the City will pay one-half with non-Destination Marketing Funds (sec. 4.2.1).</p> <p>The destination marketing agreement also now includes language pertaining to additional Fiesta Bowl deliverables by Experience Scottsdale, as well as reporting the compliance with the requirements of the Fiesta Bowl agreement (sec. 3).</p> |
| 2C | The Contract Administrator should consider including additional terms in future destination marketing contracts, such as requiring that the contract addresses allowable types of costs that can be paid from Bed | Implemented | Pending City Council adoption. The destination marketing contract now includes language that Experience Scottsdale shall provide to the City a copy of its procurement, travel |

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August 11, 2017

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| | <p>Tax funds, along with restrictions or guidelines on costs such as travel expenses, compensation and overhead. Additionally, require annual submittal of the IRS Form 990 in order to monitor those highest compensated positions for significant changes.</p> | | <p>and compensation policies 60 days after July 1, 2017. If Experience Scottsdale makes any substantive revisions, they shall provide a copy to the City not less than 30 days prior to the effective date of the revised policy (sec. 7.7).</p> <p>The current list of overhead expenses provided by the City to Experience Scottsdale was reviewed. No changes to this list were recommended by the contract administrator.</p> <p>The destination marketing contract now includes language that Experience Scottsdale shall provide a copy of its filed IRS Form 990 to the City after it has been filed with the IRS (sec. 7.9).</p> <p>Additionally, "Non-Program Costs" section was added to the new agreement that requires Experience Scottsdale to be within a competitive range as determined by market conditions and its applicable policies (sec. 7.8).</p> <p>NOTE: The Contract Administrator has received Experience Scottsdale's FY 2015/16 IRS Form 990.</p> |
| 2D | <p>The Contract Administrator should consider including additional terms in future destination marketing contracts, such as requiring that City of Scottsdale advertisements be included in its publications at no additional cost.</p> | Implemented | <p>Pending City Council adoption. The destination marketing contract now includes no-cost visitor guide and meeting and travel planners guide advertising for downtown Scottsdale or other city-owned special events or venues (sec. 2.1.3.5).</p> |
| 3A | <p>The Contract Administrator should ensure the new destination marketing contract only includes terms that are necessary and will be enforced. For example, contract terms could instead require the marketing materials to be available for the Contract Administrator to periodically review at the Experience Scottsdale office.</p> | Implemented | <p>Pending City Council adoption. The destination marketing contract now includes language pertaining to marketing materials that will be provided quarterly along with the ability for the contract administrator to receive additional samples upon request (sec. 5.4).</p> |

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August 11, 2017

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| | | | NOTE: The Contract Administrator has received Experience Scottsdale's FY 2017/18 Q1 marketing material samples. |
| 3B | The Contract Administrator should review and approve in writing Experience Scottsdale's procurement process at the beginning of each contract term. | Implemented | Pending City Council adoption. The destination marketing contract now includes language that Experience Scottsdale shall provide to the City a copy of its procurement policy 60 days after July 1, 2017. If Experience Scottsdale makes any substantive revisions, they shall provide a copy to the City not less than 30 days prior to the effective date of the revised policy (sec. 7:7). |

- **Implemented** – The concern has been addressed by implementing the original or alternative corrective action. Also note the date corrective action was completed or the process was put in place.
- **In Progress** - The corrective action has been initiated but is not complete. Please provide a revised implementation date and a brief explanation as to why a revised date is necessary.
- **Partially Implemented** – Only part of the audit recommendation was implemented. Please provide an explanation regarding the part(s) not implemented.
- **Not Implemented** – The corrective action has not been initiated. Please provide an explanation as to why the action plan was not implemented and any additional pertinent information.
- **No Longer Applicable** – The recommendation and/or action plan no longer apply due to a change in requirements (ordinance, state law, etc.), a change in operations (the program or process is no longer operated), or other circumstance. Please describe the reason this status is appropriate.

Contract No. 2017-079-COS

(Reso. No. 10895)

DESTINATION MARKETING SERVICES AGREEMENT

THIS DESTINATION MARKETING SERVICES AGREEMENT (the "Agreement") is dated _____, 2017 for reference purposes but is effective as of July 1st, 2017, and is entered into by and between City of Scottsdale, an Arizona municipal corporation ("City") and Scottsdale Convention and Visitors Bureau, Inc. an Arizona non-profit corporation, doing business as Experience Scottsdale ("SCVB").

RECITALS

A. City and SCVB desire to pursue certain objectives (the "Marketing Objectives") to enhance and promote Scottsdale as a tourism destination. The Marketing Objectives are:

1. Generate economic activity through the effective marketing of City as a tourist and meetings destination.
2. Generate national and international exposure to Scottsdale.
3. Attract leisure business that generates overnight visitation.
4. Respond to consumer information requests.
5. Generate meeting and event bookings at area hotels
6. Generate group and individual tour business through solicitation and servicing.
7. Support a climate within the City of Scottsdale wherein tourism may flourish through the active participation and cooperation of government and private sectors.
8. Assist the City in its efforts to promote City-owned venues, including WestWorld and Scottsdale Stadium, and Downtown Scottsdale as a key destination within Scottsdale.

B. City collects certain funds under Scottsdale Revised Code, Appendix C, Sec. 447 (the "Bed Tax Funds") to be used, pursuant to Comprehensive Adopted Financial Policy 21A, to help promote certain events and other marketing activities that support the Marketing Objectives.

C. City and SCVB desire to enter into this Agreement regarding fifty percent (50%) of the Bed Tax Funds (the "Destination Marketing Funds"), subject to availability, appropriation and the other limitations, conditions and requirements of this Agreement.

D. City is willing to provide the Destination Marketing Funds if SCVB performs certain activities (the "Marketing Activities") that support the Marketing Objectives.

E. This Agreement and SCVB's performances hereunder will provide direct benefit to City and to the general public by the enhancement of the economic and tourism climate of City and its environs.

F. The parties previously entered into a Destination Marketing Services Agreement dated July 1, 2012 (the "Prior Agreement"), which was amended by a First Amendment to Destination Marketing Services Agreement dated effective as of July 1, 2017 (the "First Amendment"). The First Amendment extended the expiration date of the Prior Agreement from June 30, 2017 to September 30, 2017. The parties' execution of this Agreement shall constitute the parties' mutual termination of the Prior Agreement, and render the First Amendment null and of no effect as of 11:59:59 p.m. on June 30, 2017.

NOW, THEREFORE, in consideration of the foregoing and the mutual undertakings and promises contained herein, City and SCVB agree as follows:

I. TERM OF AGREEMENT

1. Term of Agreement. The term of this Agreement shall be as follows:

1.1 Years. A "year" under this Agreement shall begin at 12:00 a.m. on July 1 and shall end at 11:59:59 p.m. on the following June 30.

1.2 Original Term; Expiration; Extension. The original term of this Agreement shall begin at the beginning of year 2017/2018 and shall terminate at the end of year 2021/2022, unless sooner terminated as set forth in this Agreement. The term of this Agreement may be extended for one additional five-year term upon mutual written agreement of the parties.

1.3 Termination. City or SCVB may, without prejudice to any other right or remedy, terminate this Agreement for any cause or reason or without cause or reason on thirty (30) days written notice.

II. MARKETING ACTIVITIES

2. Marketing Activities. SCVB shall conduct the Marketing Activities as follows:

2.1 Required Marketing Activities. SCVB will use the "Scottsdale" brand to promote the City as a destination. In connection with its promotion of the "Scottsdale" brand, SCVB may also advertise and promote activities located outside the City. In accordance with the foregoing, SCVB shall perform the following Marketing Activities.

2.1.1 Destination Marketing Guide. SCVB shall each year prepare a "destination marketing guide" (the "Marketing Guide") as follows:

2.1.1.1 Initial Marketing Guide. City approves the proposed marketing guide attached hereto as Exhibit "A" as the Marketing Guide for year 2017/2018.

2.1.1.2 Marketing Guide Approval. Each year during the term of this Agreement (including the last year), SCVB shall deliver to City a proposed marketing guide for the subsequent year. The proposed marketing guide shall be delivered to City after such proposed marketing guide has been reviewed by City's Tourism Development Commission, but not later than May 31 of each year. If City's city council approves the proposed new marketing guide prior to the end of such year, and if this Agreement will be in effect in the subsequent year, then the proposed new marketing guide shall be the Marketing Guide under this Agreement during the subsequent year. Otherwise this Agreement shall terminate at the end of the year in which SCVB delivers the proposed marketing guide.

2.1.1.3 Marketing Guide Review. If requested by City's contract administrator but not more often than semi-annually, City and SCVB shall conduct a review of the objectives, expenditure estimates, estimated effects and other aspects of the Marketing Guide.

2.1.1.4 Marketing Guide Changes. Changes to the Marketing Guide shall require City's contract administrator's approval. The preceding sentence does not apply to changes to individual media and sales activities listed in the schedule attached to the Marketing Guide that do not otherwise change the Marketing Guide. For example, SCVB may choose to advertise in a different magazine or change sales calls to a different city.

2.1.2 Performance Standards. SCVB shall each year prepare a list of specific performance criteria (the "Performance Standards") for the Program of Marketing Activities listed in Section 2.1.3 in accordance with this Section 2.1.2.

2.1.2.1 Performance Standards Development. SCVB and City's contract administrator shall meet each year on or before April 15 to determine Performance Standards for the subsequent year based on multiple factors approved by the parties, including SCVB's overall budget, prior year's performance, priority areas where funds will be deployed, economic and business cycles, and the capacity of staff and resources. SCVB will note relevant decisions made by SCVB and City's contract administrator pertaining to the Performance Standards in the Performance Standards submitted to the City.

2.1.2.2 Initial Performance Standards. City approves the proposed performance standards attached hereto as Exhibit "B" as the Performance Standards for year 2017/2018.

2.1.2.3 Performance Standards Approval. No later than May 31 of each year during the term of this Agreement (including the last year), SCVB shall deliver to City proposed performance standards for the subsequent year. If City's city council approves the proposed new performance standards prior to the end of such year, and if this Agreement will be in effect in the subsequent year, then the proposed new performance standards shall be the Performance Standards under this Agreement during the subsequent year. Otherwise this Agreement shall terminate at the end of the year in which SCVB delivers the proposed performance standards.

2.1.2.4 Performance Standards Review. If requested by City's contract administrator, but not more often than semi-annually, City and SCVB shall conduct a review of the objectives, expenditure estimates, estimated effects and other aspects of the Performance Standards.

2.1.2.5 Performance Standards Changes. Changes to the Performance Standards shall be mutually agreed upon by SCVB and City's contract administrator.

2.1.3 Program of Marketing Activities. SCVB shall use the Destination Marketing Funds to carry out the following program of Marketing Activities as set out in the Marketing Guide:

2.1.3.1 Marketing. SCVB shall position Scottsdale as a world-class vacation, meetings and group travel destination through the use of advertising, publications, online and email outreach, social media, event marketing and visitor services, including a full-service visitor center.

2.1.3.2 Communications. SCVB shall garner positive publicity for Scottsdale as a premier travel and meetings destination in print, broadcast, online and social mediums through building relationships with media, pitching stories ideas, attending media missions and trade shows, hosting media familiarization tours, and offering photos and videos for media use.

2.1.3.3 Convention Sales & Services. SCVB shall provide destination education to meeting and event planners and assist with securing space and services for meetings and events through generating leads, building relationships with clients, attending trade shows and sales missions, hosting familiarization tours and site inspections, and providing materials and services to clients.

2.1.3.4 Tourism. SCVB shall provide destination education to travel agents and tour operators to help them best capture the Scottsdale experience for their clients and to ensure that Scottsdale stands out as a unique destination in travel company product inventories throughout the world through generating leads, building relationships with clients, attending trade shows and sales missions, hosting familiarization tours and site inspections, conducting product training seminars, creating trade cooperative marketing campaigns, and providing materials and services to clients.

2.1.3.5 No-Cost Visitor Guide and Meeting and Travel Planners Guide Advertising. SCVB will, in accordance with this paragraph, provide, at SCVB's sole cost, a minimum total of four (4) half-page no-cost tourism-related advertisements for downtown Scottsdale or other City-owned special events or venues to be placed in the visitors' guide and/or the meeting and travel planners' guide produced by SCVB ("No-Cost Advertisements"). The number, size and placement of No-Cost Advertisements in the visitors' guide and/or the meeting and travel planners' guide will be determined by SCVB based on content and available space after paid advertisement space has been sold; provided that a

minimum total of four (4) half-page No-Cost Advertisements (in the visitor's guide or the meeting and travel planners' guide, or divided among both guides) are guaranteed annually as long as SCVB continues to publish such guides and while this Agreement is in effect. City's contract administrator shall, in consultation with SCVB, propose the special events or venues to be awarded No-Cost Advertisements based on factors including available space and the relevancy of the proposed advertisers with respect to the particular guide. The placement and content of any No-Cost Advertisements shall be determined or approved by SCVB in its sole discretion, and the award of No-Cost Advertisements shall not be a Performance Standard under this Agreement.

2.2 Advice. SCVB shall advise City and, as determined by SCVB, other governmental entities (including at the state and federal level), on how various activities or plans may affect Scottsdale's tourism industry and tourism marketing. SCVB shall not use Destination Marketing Funds for the purpose of influencing the outcome of elections for governmental offices, but can educate and advocate on tourism and tourism-related issues.

2.3 Coordination. SCVB shall meet periodically with City department personnel to provide updates regarding the Marketing Activities that SCVB is performing under this Agreement and to mutually determine the extent to which such Marketing Activities and the City department's marketing activities related to tourism can reasonably be coordinated to avoid duplication of efforts and to enhance the breadth and scope of tourism marketing programs within the community. This paragraph shall not be a Performance Standard under this Agreement.

2.4 Conduct of Marketing Activities. SCVB shall conduct the Marketing Activities in conformance with the Marketing Guide and the Performance Standards.

2.5 SCVB Marketing Services Contracts with Others. City acknowledges that SCVB and its promotional and advertising activities are funded by a variety of sources and that SCVB currently has marketing services contracts with other municipalities and entities. SCVB may enter into agreements with other municipalities and entities to provide destination marketing services in connection with its promotion of the "Scottsdale" brand; provided, however, that SCVB will give City's contract administrator not less than 30 days' advance written notice prior to entering into such new destination marketing agreements.

III. FIESTA BOWL

3.1 City and SCVB shall support the Fiesta Bowl as follows:

3.1.1 The Event Overall Requirements for the Fiesta Bowl are set out in Exhibit "C" attached hereto. SCVB shall perform the Event SCVB Requirements. SCVB shall cause the Event Producer to perform the Event Producer Requirements. City shall perform the Event City Requirements.

3.1.2 SCVB shall comply and cause Fiesta Bowl to comply with the Event Contract and other provisions of this Agreement relating to the Fiesta Bowl.

3.1.3 The Contract Budget under section 4 of this Agreement shall include the amount of any funds in connection with the Fiesta Bowl to be provided by City.

3.1.4 Each year that the Fiesta Bowl will be played in Maricopa County, on or before December 15, SCVB shall provide to the City, in writing, a list (the "Fiesta Bowl Deliverables") of proposed (i) marketing activities that SCVB is performing or will perform in connection with the upcoming Fiesta Bowl; and (ii) a guaranteed minimum number of room-nights at hotels paying bed tax to the City that will be generated in connection with such Fiesta Bowl. City's contract administrator will approve or deny the proposal within three (3) business days after receipt, with such approval not to be unreasonably withheld or conditioned. If City's contract administrator approves the Fiesta Bowl Deliverables, then the Fiesta Bowl Deliverables shall become part of this Agreement. If City's contract administrator does not approve the Fiesta Bowl Deliverables, the parties shall make good faith efforts to attempt to expeditiously reach an agreement on a revised list of Fiesta Bowl Deliverables.

3.1.5 SCVB shall provide the City with a report that details SCVB's compliance with the requirements of this Agreement regarding the Fiesta Bowl, including reporting on the marketing activities performed and room-nights generated as described in Section 3.1.4, within 90 days after the completion of the Fiesta Bowl event.

IV. CITY FUNDING

4. City Funding. City's payment of the Destination Marketing Funds and funds in connection with the Fiesta Bowl shall be subject to the following:

4.1 Contract Budget. All Destination Marketing Funds and other City support and all Marketing Activities and other SCVB expenditures and activities shall comply with a budget (the "Contract Budget") as follows:

4.1.1 The total amount of Destination Marketing Funds that City shall provide under this Agreement (the "Contract Amount") for each year shall be equal to fifty percent (50%) of the Bed Tax Funds collected during the year, such amount to be adjusted and paid in monthly installments as set out below. City approves as the Contract Budget for year 2017/2018 the portions of the proposed budget attached hereto as Exhibit "D" that are shown in such exhibit as totaling the Contract Amount. The Contract Amount and Contract Budget shall also include an additional amount of Bed Tax Funds that are not Destination Marketing Funds as identified in Section 4.2.1.

4.1.1.1 No later than May 31 of each year during the term of this Agreement (including the last year), SCVB shall deliver to City a proposed contract budget for all funds to be received or expended by SCVB during the following year pursuant to this Agreement.

4.1.1.2 SCVB's proposed contract budget shall list all funds that SCVB proposes to receive or expend under this Agreement. The total amount of Bed Tax

Funds that SCVB proposes to receive during the following year (the "Proposed Amount") shall be clearly listed by itself on a single separate line of the proposed contract budget. SCVB's proposed contract budget shall also list all funds that SCVB otherwise proposes to receive or expend during the year. The proposed SCVB contract budget shall clearly indicate which funds SCVB anticipates receiving from City under this Agreement and which funds SCVB anticipates receiving from other sources.

4.1.1.3 If City's city council approves the proposed contract budget prior to the end of such year, and if this Agreement will be in effect in the subsequent year, then the proposed contract budget shall be the Contract Budget under this Agreement during the subsequent year and the Proposed Amount in such budget shall be the Contract Amount for the following year. Otherwise this Agreement shall terminate at the end of the year in which SCVB delivers the proposed budget.

4.1.1.4 City and SCVB shall meet as often as is reasonably necessary to discuss actual Bed Tax Funds collections. City's contract administrator shall from time to time request City's Tourism Development Commission to discuss actual Bed Tax Funds collections. No later than February 1 each year, City shall provide to SCVB an estimate of the total amount of Bed Tax Funds that City anticipates City will collect during the following year ("Estimated Receipts"). SCVB and City's Tourism Development Commission shall have an opportunity to provide input about City's estimate before City provides the estimate to SCVB under this Agreement. SCVB's proposed contract budget shall be based on City's estimate.

4.1.2 SCVB shall not request, accept or spend any Destination Marketing Funds in amounts inconsistent with the Contract Budget or other requirements of this Agreement. SCVB shall reimburse to City any Destination Marketing Funds not spent for the purposes specified by the Contract Budget and this Agreement.

4.1.3 If the City Treasurer determines that the Estimated Receipts will significantly exceed or fall short of the actual Bed Tax funds City will receive, then the City contract administrator shall have authority to elect to approve a new Contract Budget provided by SCVB that conforms to the Estimated Receipts as determined by the City Treasurer.

4.2 Fiesta Bowl Event Payment Timing. Subject to the limitations set out elsewhere in this Agreement, City shall pay funds in connection with the Fiesta Bowl as follows:

4.2.1 No later than thirty (30) days and not earlier than sixty (60) days before SCVB's payment is due for the Fiesta Bowl under Section 4.7 of Exhibit C, SCVB shall deliver to City an invoice for one-half the amount to be paid by SCVB to the Fiesta Bowl. The parties acknowledge and agree that, while this Agreement is in effect, the amount specified in Section 4.7 of Exhibit C of this Agreement shall be paid one-half by the City with non-Destination Marketing Funds and one-half by SCVB. The SCVB's portion of such payment may be paid by SCVB with Destination Marketing Funds.

4.2.2 City shall pay the entire amount in a single installment within 30 days of receipt of SCVB's invoice.

4.2.3 The total amount that City pays related to the Fiesta Bowl shall not exceed the lesser of the amount specified by the Contract Budget, or any lesser amount specified in the Event Contract or this Agreement. If any of those provide different amounts, City will only pay the smallest amount.

4.3 Other Payment Timing. Subject to the limitations set out elsewhere in this Agreement, City shall pay the Destination Marketing Funds as follows:

4.3.1 No later than the fifth (5th) of each month, SCVB shall deliver to City an invoice for one-twelfth (1/12) of the Contract Amount for that year, subject to adjustment as described in Section 4.4 below.

4.3.2 No later than the fifteenth (15th) day of each month, City shall pay to SCVB one-twelfth (1/12) of the Contract Amount for that year, subject to adjustment as described in Section 4.4 below.

4.4 Actual Bed Tax Funds Collected. City's payments under this Agreement shall be adjusted based on actual Bed Tax Funds collected as follows:

4.4.1 City will provide the City Treasurer's previously-prepared estimates of Estimated Receipts to SCVB within two (2) business days after SCVB's request therefor. The actual Bed Tax Funds that the City collects may be more or less than the Estimated Receipts.

4.4.2 If, during the year, the actual Bed Tax Funds collected by the City are, or are expected to be, substantially different (as reasonably determined by either party) than estimated in the Contract Budget, SCVB or City's contract administrator shall notify the other party, at which time the parties shall, as soon as reasonably possible, by exchange of emails, telephonic meetings or in-person meetings, discuss the difference in actual Bed Tax Funds collected or anticipated to be collected and how that difference will impact the Contract Budget and Destination Marketing Funds (a "Budget Modification Dialogue").

4.4.2.1 If, during the year, the actual Bed Tax Funds collected or to be collected by the City are or are estimated to be substantially less than estimated in the Contract Budget (an "Estimated Shortfall") the City's contract administrator and SCVB shall, pursuant to the Budget Modification Dialogue, agree in writing to: (i) reduce the current year's Contract Amount and, if applicable depending on the reduction to the Contract Amount and how such reduction affects the Contract Budget, make commensurate modifications to the current year's Marketing Activities and Performance Standards; and/or (ii) if the Estimated Shortfall occurs late in the year (as reasonably determined by either party), apply the Estimated Shortfall to the subsequent year's Contract Budget as contemplated in Section 4.4.3 with no adjustment to the current year's Contract Amount.

4.4.2.2 If, during the year, the actual Bed Tax Funds collected or to be collected by the City are or are going to be substantially more than estimated in the Contract Budget (an "Estimated Excess"), the City's contract administrator and SCVB shall, pursuant to the Budget Modification Dialogue, agree in writing to: (i) add the Estimated Excess to the current year's Contract Amount and, if applicable depending on the addition to the Contract Amount and how such addition affects the Contract Budget, make commensurate modifications to the current year's Marketing Activities and Performance Standards; and/or (ii) carry over the Estimated Excess into the subsequent year's Contract Amount and Contract Budget as contemplated in Section 4.4.3 with no adjustment to the current year's Contract Amount.

4.4.3 Subject to the effect of adjustments made pursuant to Section 4.4.2.1 and Section 4.4.2.2 above, after the close of the year, should the actual Bed Tax Funds the City received be less than the last Estimated Receipts (the "Actual Shortfall"), and if this Agreement is in effect during the following year, then City shall, after the City's determination of the amount of the Actual Shortfall, subtract one-half of such Actual Shortfall from the next monthly installment (or installments, if necessary as reasonably determined by the City's contract administrator and SCVB) during the following year. After the close of the year, should the actual Bed Tax Funds that the City received be greater than the last Estimated Receipts ("Actual Excess"), and if this Agreement is in effect during the following year, then City shall, as soon as reasonably possible after the City's determination of the amount of the Actual Excess, make an additional payment in an amount equal to one half of such Actual Excess. The amount of the Actual Shortfall subtraction or Actual Excess addition, as applicable, shall be incorporated into the current year's Contract Amount pursuant to a Budget Modification Dialogue and, if applicable depending on the adjustment to the Contract Amount and how such adjustment affects the Contract Budget, the current year's Marketing Activities and Performance Standards shall be modified as agreed in writing by SCVB and City's contract administrator.

4.4.4 If a request is made by SCVB, the contract administrator may approve a carryover of Destination Marketing Funds to the next year (fiscal year) at any time during the current year.

4.5 Withholding of Payments. Except as provided in the next sentence, City may exercise any remedy at law or equity if SCVB does not cure any material breach of its obligations under this agreement within thirty (30) days after notice from City. City may withhold, in whole or in part, any payment to SCVB if SCVB fails to comply with any of the following, unless SCVB cures such breach within thirty (30) days after City gives notice of the breach:

4.5.1 Render services as required by this Agreement.

4.5.2 Supply information or reports as required by this Agreement.

4.5.3 Make timely payments to subcontractors, except when there is a bona fide dispute as to the existence or amount of the debt.

4.5.4 Comply with other provisions of this Agreement, including, without limitation, provisions relating to auditing or performance.

4.5.5 City Funds Upon Termination. Within fifteen (15) days after any expiration or other termination of this Agreement in any manner, SCVB shall return to City all unexpended City funds which SCVB is not contractually or legally obligated to pay consistent with this Agreement.

4.6 City Funding Limitations. Payment of the Destination Marketing Funds is subject to the limits contained elsewhere in this Agreement and the following cumulative conditions and limitations:

4.6.1 Funding Total. The total amount of Destination Marketing Funds City pays yearly under this Agreement shall not exceed the Contract Amount (as such amount may be modified in accordance with this Agreement), minus setoffs and other amounts to which City may be entitled hereunder.

4.6.2 Funding Source. City's payments shall be made only from Bed Tax Funds. City is not obligated to provide funding from any other source. City's city council may elect from time to time in its sole and absolute discretion to provide funding from other sources as follows:

4.6.2.1 All provisions of this Agreement shall apply to such additional funds, including without limitations all references to Destination Marketing Funds and all types of Marketing Activities, except that any such additional funds comprised of Bed Tax Funds shall not be counted when determining the amount of SCVB's fifty percent (50%) share of the Bed Tax Funds.

4.6.2.2 Sources of such other funds may include, at City's election, general funds, other Bed Tax Funds, tribal gaming funds or other funds available to City.

4.6.2.3 To the extent City receives tribal gaming funds that are eligible to be used for Marketing Activities, SCVB shall accept those funds when requested by City, and SCVB shall only use these funds in a manner that is consistent with the proposal approved by the tribe and consistent with supporting the Marketing Objectives.

4.6.3 Bed Tax Collections. Destination Marketing Funds shall be disbursed only to the extent City determines, in its sole and absolute discretion, that City has collected adequate Bed Tax Funds to disburse these amounts.

4.6.4 Appropriations and Approvals. This subparagraph shall control notwithstanding any provision of this Agreement or any exhibit or other agreement or document related hereto. City's provision of funds under this Agreement is in all respects subject to appropriation by City Council. City's entire obligation under this Agreement shall be limited to the amount appropriated. If funds necessary to fulfill City's obligations under this Agreement are not appropriated or are otherwise made not available by City's city council, then City may

terminate this Agreement by notice to SCVB. Termination in accordance with this provision shall not constitute a breach of this Agreement by City. No person shall be entitled to any compensation, damages or other remedy from City if this Agreement is terminated pursuant to the terms of this paragraph or other terms of this Agreement. In lieu of terminating this Agreement, City may elect to reduce the amount of Destination Marketing Funds and other resources City provides.

V. REPORTS AND AUDITS

5. Reports and Audits. SCVB shall report Marketing Activities and other expenditures and activities as follows:

5.1 Audit Report. Within ninety (90) days after the end of each year, SCVB shall prepare and submit to City at SCVB's expense an annual audit report of revenues and expenses related to this Agreement and an opinion thereon prepared by an independent certified public accounting firm. The audit report shall include an annual financial statement prepared in accordance with generally accepted accounting principles (GAAP) and the provisions of the Statement of Financial Accounting Standards No. 117 (Financial Statements of Not-for-Profit Organizations). SCVB shall make available to City all work papers and records produced by the auditor pertaining to the audit, or copies thereof, reasonably promptly after City's request but in any event within ten (10) working days after City's written request therefor.

5.2 Inspection of Books. City or its agent may, by giving reasonable advance notice to SCVB and on the date or dates that City and SCVB may reasonably agree upon, inspect SCVB's books that relate to this Agreement at such times during normal business hours that City deems appropriate. Upon reasonable request, SCVB shall furnish copies of such books and records to City, at no cost to City.

5.3 Annual Performance Report. Within thirty (30) days after the close of each year, SCVB shall submit to City a report of SCVB's performance under this Agreement. The report shall include an analysis of the effectiveness of SCVB's performances under this Agreement, including without limitation documentation of year-end performance of the Performance Standards. If requested by City's contract administrator, SCVB shall also present these annual reports to City Council at a city council meeting.

5.4 Quarterly Performance Reports; Promotional Materials. In addition to the annual performance report, SCVB shall deliver to City within thirty (30) days after the end of each quarter (September, December, March and June) a report that shall include a brief narrative of progress to date. Such reports shall be accompanied by a summary of expenditures during the same period. SCVB shall also provide to the City two (2) samples each quarter of promotional materials prepared with Destination Marketing Funds during that quarter. City's contract administrator may submit written requests for a reasonable number of additional copies of promotional materials previously prepared by SCVB, which, if available, will be provided to the City reasonably promptly after City's request but in any event within ten (10) working days after City's written request therefor.

5.5 Performance Audit. City may at any time conduct a performance audit to evaluate SCVB's performance under this Agreement. SCVB shall make available any information related to this Agreement requested by City for the audit reasonably promptly after City's request but in any event within ten (10) working days after City's written request therefor. The performance audit may consider all information that is relevant to SCVB's responsibilities under this Agreement.

VI. INSURANCE AND INDEMNITY

6. Insurance and Indemnity. SCVB shall provide insurance and indemnification as follows:

6.1 Indemnification. To the fullest extent allowed by law, SCVB, its successors, assigns and guarantors, shall defend, indemnify and hold harmless City, its agents, representatives, officers, directors, officials, and employees from and against all allegations, demands, proceedings, suits, actions, claims, damages, losses, expenses, including but not limited to, reasonable attorney fees, court costs, and the cost of appellate proceedings, and all claim adjusting and handling expense, to the extent related to, arising from or out of, or resulting from any negligent or intentional actions, acts, errors, mistakes or omissions caused by SCVB, its agents or contractors while performing work or services under this Agreement, including but not limited to, any subcontractor or anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable under contract or applicable law. SCVB's indemnification obligations under this Section include damages related to, arising from or out of, or resulting from acts or omissions of SCVB while performing work or services under this Agreement that infringe the intellectual property rights of any third party. Insurance provisions set forth in this Agreement are separate and independent from the indemnity provisions of this paragraph and shall not be construed in any way to limit the scope and magnitude of the indemnity provisions. The indemnity provisions of this paragraph shall not be construed in any way to limit the scope, magnitude and applicability of the insurance provisions.

6.2 Insurance. Without limiting any of its obligations or liabilities, SCVB, at SCVB's own expense, shall purchase and maintain the hereinafter stipulated minimum insurance:

6.2.1 All insurance shall be from a company or companies lawfully authorized to do business in the State of Arizona with an A.M. Best, Inc. rating of B++6 or above with policies and forms satisfactory to City.

6.2.2 All insurance required herein shall be maintained in full force and effect until all work or services required to be performed under the terms of this Agreement are satisfactorily completed and formally accepted; failure to do so may, at the sole discretion of the City, constitute a material breach of this Agreement.

6.2.3 SCVB's insurance shall be primary insurance, and any insurance or self insurance maintained by City shall not contribute to it. Any failure to comply with the claim reporting provisions of the policies or any breach of a policy warranty shall not affect coverage afforded under the policy to protect City.

6.2.4 The policies shall contain a waiver of transfer rights of recovery (subrogation) against City, its agents, representatives, directors, officers, and employees for any claims arising out of the work or services of SCVB under this Agreement.

6.2.5 The policies may provide coverage that contains deductible or self-insured retentions. SCVB shall be solely responsible for any deductible and/or self-insured retention.

6.2.6 The policies shall be in place by no later than ten (10) days after the date of this Agreement.

6.2.7 Within 10 working days after notice from City, SCVB shall provide to City certified copies of any or all of the required policies and/or endorsements. City shall not be obligated, however, to review same or to advise SCVB of any deficiencies in such policies and endorsements, and such receipt shall not relieve SCVB from, or be deemed a waiver of City's right to insist on, strict fulfillment of SCVB's obligations under this Agreement.

6.2.8 The insurance policies required by this Agreement, except workers' compensation and fidelity/crime insurance policies, shall name City, its agents, representatives, officers, directors, officials, and employees as additional insureds.

6.2.9 Required Coverage. SCVB shall cause to be in effect the following insurance:

6.2.9.1 General Liability. SCVB shall maintain "occurrence" form Commercial General Liability insurance with a limit of liability not less than \$1,000,000 for each occurrence with a \$2,000,000 Products and Completed Operations Limit and \$2,000,000 General Aggregate Limit. The policy shall be primary, and include coverage for bodily injury, broad form property damage, personal injury, products/completed operations and blanket contractual coverage including, but not limited to, the liability assumed under the indemnification provisions of this Agreement. Such policy shall contain a severability of interest provision. If any Excess insurance is utilized to fulfill the requirements of this paragraph, such Excess insurance shall be "follow form" equal or broader in coverage scope than underlying.

6.2.9.2 Automobile Liability. SCVB shall maintain Commercial/Business Automobile Liability insurance with a combined single limit for bodily injury and property damages of not less than \$1,000,000, each accident with respect to SCVB's owned, hired, and non-owned vehicles assigned to or used in performance of SCVB's work or services under this Agreement. If any Excess insurance is utilized to fulfill the requirements to this paragraph, such Excess insurance shall be "follow form" equal or broader in coverage scope than underlying.

6.2.9.3 Worker's Compensation. SCVB shall maintain Worker's Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of SCVB's employees engaged in the performance of the work or services under this Agreement, and Employer's Liability insurance of not less than \$100,000 for each accident,

\$100,000 disease for each employee, and \$500,000 disease policy limit. In case any work or services under this Agreement are subcontracted, SCVB shall require all subcontractors to provide the same insurance requirements as cited above for SCVB to protect City.

6.2.9.4 Fidelity Insurance. SCVB shall purchase and maintain fidelity and crime insurance coverage with a limit of \$250,000 per loss.

6.2.9.5 Other Insurance. SCVB shall maintain any other insurance coverage or amounts of insurance City may reasonably require from time to time for the protection of the public, City and its employees, officials, representatives, officers, directors, and agents. City may elect by written notice to SCVB to require additional coverage or increased amount of any insurance to account for changes in risks, inflation, or any other factor that City reasonably determines to affect the prudent amount of insurance to be provided by SCVB.

6.2.9.6 Certificates of Insurance. Prior to commencing work or services under this Agreement, SCVB shall furnish to City certificates of insurance or formal endorsements as required by the Agreement, issued by SCVB's insurer(s), as evidence that policies providing the required coverages, conditions, and limits required by this Agreement are in full force and effect. Such certificates shall identify this Agreement. In the event any insurance policy(ies) required by this Agreement is (are) written on a "claims made" basis, coverage shall extend for two years past completion and acceptance of the work or services and as evidenced by an annual Certificate of Insurance.

VII. MISCELLANEOUS PROVISIONS

7. Miscellaneous Provisions. The following additional provisions shall apply:

7.1 Year End Performances. If this Agreement terminates for any reason before SCVB has provided to City reports or other payments or performances related to time periods when this Agreement was in effect, SCVB shall deliver such reports and provide such payments and performances to city notwithstanding such termination.

7.2 Compliance with Law. SCVB shall comply with all applicable local, state and Federal ordinances, statutes, laws and regulations.

7.3 Compliance With E-Verify. The parties shall comply with immigration laws as follows:

7.3.1 The Parties understand and acknowledge the applicability to them of the American with Disabilities Act, the Immigration Reform and Control Act of 1986 and the Drug Free Workplace Act of 1989. Both parties agree to comply with these laws in performing this Agreement and to permit each other to verify compliance. SCVB will include the terms of this provision in all contracts and subcontracts for work performed under this Agreement, including supervision and oversight.

7.3.2 Under the provisions of A.R.S. §41-4401, each party warrants to the other that it will comply with all Federal Immigration laws and regulations that relate to its employees and that the party and all its subcontractors working under the terms of the Agreement now comply with the E-Verify Program under A.R.S. §23-214(A).

7.3.3 A breach of this warranty will be considered a material breach of this Agreement and may subject the parties to penalties up to and including termination of this Agreement or any subcontract.

7.3.4 Both parties retain the legal right to inspect the papers of any employee of either party or any subcontractor who works on this Agreement to ensure that they are complying with the warranty given above.

7.3.5 Each party may conduct random verification of the employment records of the other and any of its subcontractors working under this Agreement to ensure compliance with this warranty. Each party agrees to indemnify, defend and hold harmless the other party for, from and against all losses and liabilities arising from any and all violations of these statutes.

7.3.6 Neither party will consider the other or any of its subcontractors in material breach of this Agreement if they establish that they have complied with the employment verification provisions prescribed by 8 USCA §1324(a) and (b) of the Federal Immigration and Nationality Act and the E-Verify requirements prescribed by A.R.S. §23-214(A). The "E-Verify Program" means the employment verification pilot program as jointly administered by the United States Department of Homeland Security and the Social Security Administration or any of its successor programs.

7.3.7 The provisions of this paragraph must be included in any contract either party enters into with any and all of its subcontractor who provide services under this Agreement or any subcontract. "Services" are defined as furnishing labor, time or effort in the State of Arizona by a political subdivision, company or subcontractor. Services include construction or maintenance of any structure, building or transportation facility or improvement to real property. Both Parties will take appropriate steps to assure that all applicable subcontractors comply with the requirements of the E-Verify Program. The failure to assure compliance by all its subcontractors with the E-Verify Program may be considered a material breach of this Agreement.

7.4 Prohibition Against Boycott of Israel. SCVB certifies that it is not currently engaged in and agrees for the duration of the contract not to engage in a boycott of Israel as defined in A.R.S. § 35-393.

7.5 Non-liability of City Officials and Employees. No member, official or employee of City shall be personally liable to SCVB, or any successor in interest, in the event of any default or breach by City or for any amount that may become due to SCVB or its successor on any obligation related to this Agreement.

7.6 Conflict of Interest. City may cancel any contract or agreement, without penalty or obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of City is, at any time while the contract or any extension of the contract is in effect, an employee of any other party to the contract in any capacity, or a consultant to any other party to the contract with respect to the subject matter of the contract. The cancellation shall be effective when written notice from City is received by all other Parties to the contract, unless the notice specifies a later time (A.R.S. 38-511).

7.7 Policies. On or before the date that is sixty (60) days after the date of this Agreement, SCVB shall provide, to the City, a copy of its current procurement, travel and compensation policies (the "Policies"). If SCVB makes any substantive revisions to any of the Policies, SCVB shall provide a copy of such revised Policies not less than thirty (30) days prior to the effective date of the revised Policies.

7.8 Non-Program Costs. SCVB shall keep its non-program costs within a competitive range as determined by market conditions and its applicable Policies. As used in the immediately preceding sentence, "competitive range" and "market conditions" shall be determined by comparing the SCVB's non-program costs with those of destination marketing organizations similar to the SCVB as indicated in the financial profile guide customarily used and referenced by destination marketing organizations (the "Guide"), which is currently published approximately every other year. SCVB shall, within a reasonable time after SCVB's receipt of the Guide, provide to the City a written comparison of SCVB's non-program costs with those of its peers. As used in this Section 7.8, "non-program costs" means administrative/general expenses and personnel costs as described in the Guide.

7.9 IRS Form 990. SCVB shall provide a copy of its filed IRS Form 990 after it has been filed with the IRS.

7.10 Notices. Notices shall be immediately effective upon delivery by electronic mail, personal delivery, or upon actual receipt if given by certified mail or delivery service. Any and all notices required or permitted hereunder shall be given in writing, either delivered by hand delivery, messenger or private delivery service (including national delivery services), or electronic mail (except that any notice of default, breach or termination must also be delivered by at least one of the other means permitted herein), or sent by certified mail, return receipt requested, postage prepaid, addressed as follows:

City of Scottsdale
Tourism & Events Director
Tourism & Events Department
7506 E. Indian School Road
Scottsdale, AZ 85251

Experience Scottsdale
President & CEO
4343 N. Scottsdale Road, Suite 170
Scottsdale, AZ 85251

Either party may furnish to the other a different mailing address and designate another individual upon whom all notices may be served as herein provided by giving notice in accordance with this Section.

7.11 Entire Agreement. This Agreement constitutes the entire agreement between City and SCVB with respect to the subject matter and no addition, deletion or other amendment hereto may be made except as is agreed in writing by City and SCVB with the same formality for execution as accorded this Agreement.

7.12 Assignment. In making this Agreement, City and SCVB each depend upon the particular capacities, expertise, powers, and good offices of the other, which would not be satisfactorily provided by a third party. Therefore, City and SCVB agree that no right or obligation hereunder may in any way whatsoever be assigned or delegated to a third party without the prior express written consent of the other party.

7.13 Binding Effect. This Agreement and the terms, provisions, promises, covenants and conditions hereof, shall be binding upon and shall inure to the benefit of City and SCVB hereto and their respective successors and assigns.

7.14 Legal Fees. In the event either party brings any action for any relief, declaratory or otherwise, arising out of this Agreement, or on account of any breach or default hereof, the prevailing party shall be entitled to receive from the other party reasonable attorney's fees and reasonable costs and expenses, determined by the court sitting without a jury, which shall be deemed to have accrued on the commencement of such action and shall be enforceable whether or not such action is prosecuted to judgment.

7.15 Designated Representatives.

7.15.1 City's contract administrator shall be City's Tourism & Events Director, or designee. By notice to SCVB, City's city manager may designate a different contract administrator from time to time at City's city manager's sole discretion. City's contract administrator is authorized to act on behalf of the City with respect to all matters in this Agreement other than those expressly requiring the approval of City's city council or another person or department within the City, subject to the limitations of this Agreement and further provided that City's contract administrator is not authorized to act on behalf of the City to amend this Agreement.

7.15.2 SCVB shall designate, in writing, one or more representatives ("Designated Representative") who are authorized to act on behalf of SCVB with respect to all matters in this Agreement. SCVB's initial Designated Representative shall be SCVB's President & CEO or the designee(s) of the President & CEO. SCVB may change its Designated Representative by providing written notice to the City identifying the new Designated Representative.

7.16 Dates. Sunday, Saturday and Arizona legal holidays are holidays for purposes of this Agreement.

7.17 Time of Essence. Time is of the essence of each and every provision of this Agreement.

7.18 Paragraph Headings. The paragraph headings contained herein are for convenience in reference and not intended to define or limit the scope of any provision of this Agreement.

7.19 No Third Party Beneficiaries. No person or entity shall be a third party beneficiary to this Agreement or shall have any right or cause of action hereunder. City shall have no liability to third parties for any approval of plans or activities, SCVB's negligence, SCVB's failure to comply with the provisions of this Agreement (including any absence or inadequacy of insurance required to be carried by SCVB), or otherwise as a result of the existence of this Agreement.

7.20 Exhibits. All exhibits specifically stated to be attached hereto as specified herein are hereby incorporated into and made an integral part of this Agreement for all purposes.

7.21 No Partnership. This Agreement and the transactions and performances contemplated hereby shall not create any sort of partnership, joint venture or similar relationship between the parties. SCVB is a non-profit corporation and is neither a department, nor an operating agency of City.

7.22 Choice of Law. This Agreement shall be governed by the internal laws of the State of Arizona without regard to choice of law rules. City has not waived its claims procedures as respects this Agreement. Exclusive proper venue for any action regarding this Agreement shall be Maricopa County.

7.23 Recording. This Agreement shall not be recorded.

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IN WITNESS WHEREOF, the parties have entered into this Agreement as of the date first given above.

Scottsdale Convention and Visitors Bureau,
Inc., an Arizona non-profit corporation doing
business as Experience Scottsdale

By: _____

Jack Miller

Its: Chairman of the Board

By: _____

Rachel Sacco

Its: President & CEO

CITY OF SCOTTSDALE,
an Arizona municipal corporation

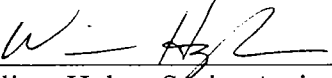
By: _____

W. J. "Jim" Lane, Mayor

ATTEST:

Carolyn Jagger, City Clerk

APPROVED AS TO FORM BY
CITY ATTORNEY'S OFFICE:



William Hylen, Senior Assistant City Attorney

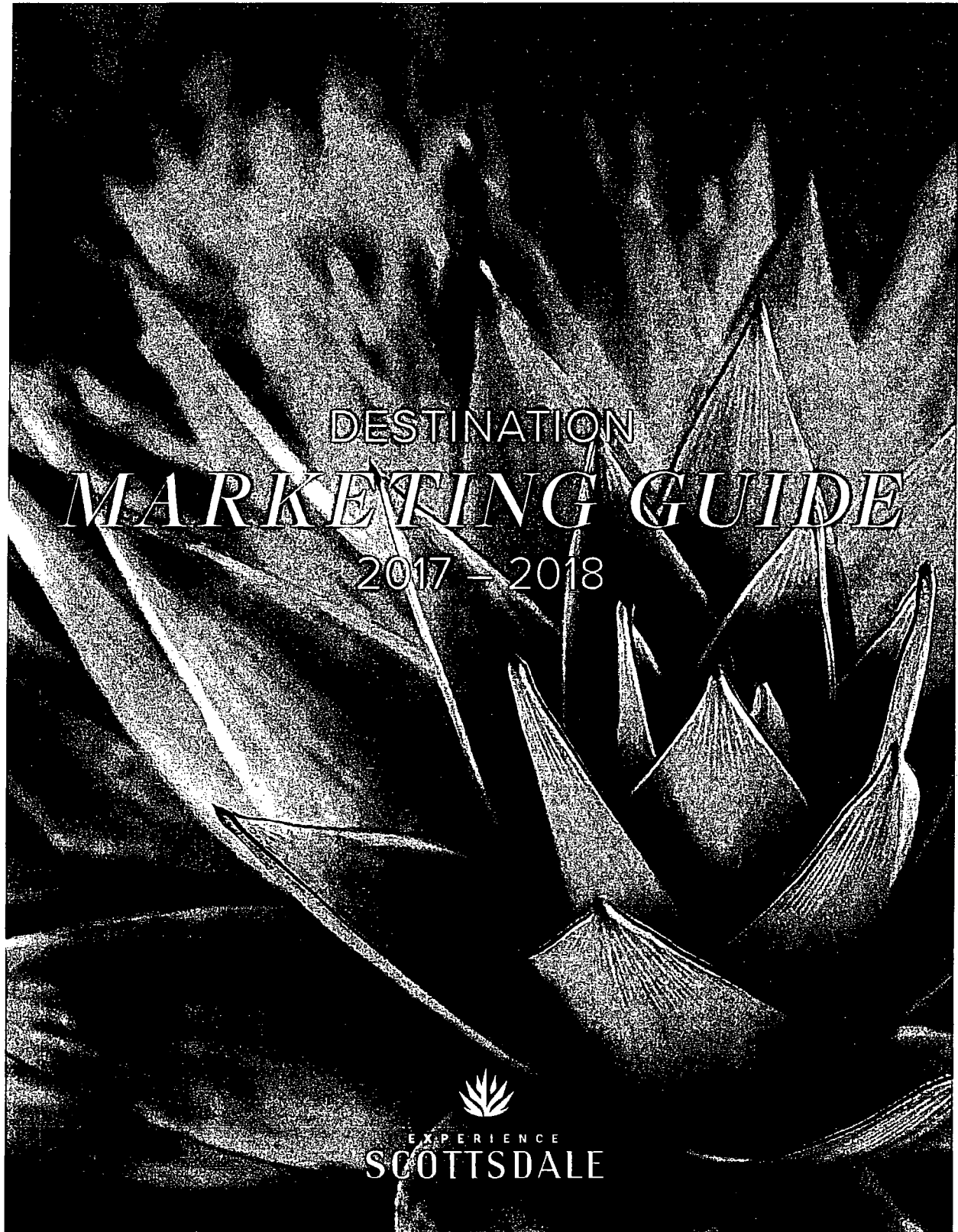
CITY CONTRACT ADMINISTRATOR:

Karen Churchard, Tourism & Events Director

Katherine Callaway, Risk Management
Director

TABLE OF EXHIBITS

| <u>Exhibit</u> | <u>Paragraph</u> | <u>Description</u> |
|----------------|------------------|--|
| A | 2.1.1.1 | Final 2017/2018 Marketing Guide |
| B | 2.1.2.2 | Final 2017/2018 Performance Standards |
| C | 3.1.1 | Fiesta Bowl Event Overall Requirements |
| D | 4.1.1 | Final 2017/2018 Contract Budget |



DEAR STAKEHOLDER:

Just as our community must continue to evolve in order to flourish, so too must the efforts of Experience Scottsdale. We uphold strategies that consistently provide a strong return on investment, while constantly monitoring best practices, new technologies and creative ideas to improve upon our endeavors and drive incremental tourism business to our community. We invite you to review this guide to learn how you can best partner with us on our programs to boost your engagement and extend our collective message.

In this guide, you'll find an assessment of the tourism industry landscape that examines the current state of our industry and explores challenges and opportunities both nationally and locally that might impede or accelerate our industry's growth (pgs. 3-8).

We then share with you our coming year's strategic initiatives (pgs. 9-10) – new and creative ways to advance Scottsdale's reputation as a world-class vacation and meetings destination. These include:

- **Engaging in high-impact advertising** to boost the destination's brand recognition in our top visitor markets.
- **Launching a new culinary microsite** to better raise awareness about the Scottsdale area's thriving food and cocktail scene.
- **Connecting with clients in emerging second-tier markets** to develop new contacts and introduce meeting planners to the destination.
- **Targeting high-value social media influencers** to keep pace with the changing media landscape.
- **Hosting multi-client events in key feeder markets** to pique clients' interest and help increase Scottsdale's presence in San Francisco, Chicago and Denver.
- **Producing and distributing industry research** to equip our members with insight into how best to reach new customers.
- **Supporting the City's tourism strategic plan** by collaborating with community partners to implement the plan's strategies and enhance the destination's appeal.

Lastly, if you're just beginning your membership with us, you'll also want to learn more about the comprehensive programs we execute in marketing, communications, convention sales and services, and tourism (pgs. 11-19).

We look forward to working with you!

Sincerely,



A handwritten signature in cursive script.

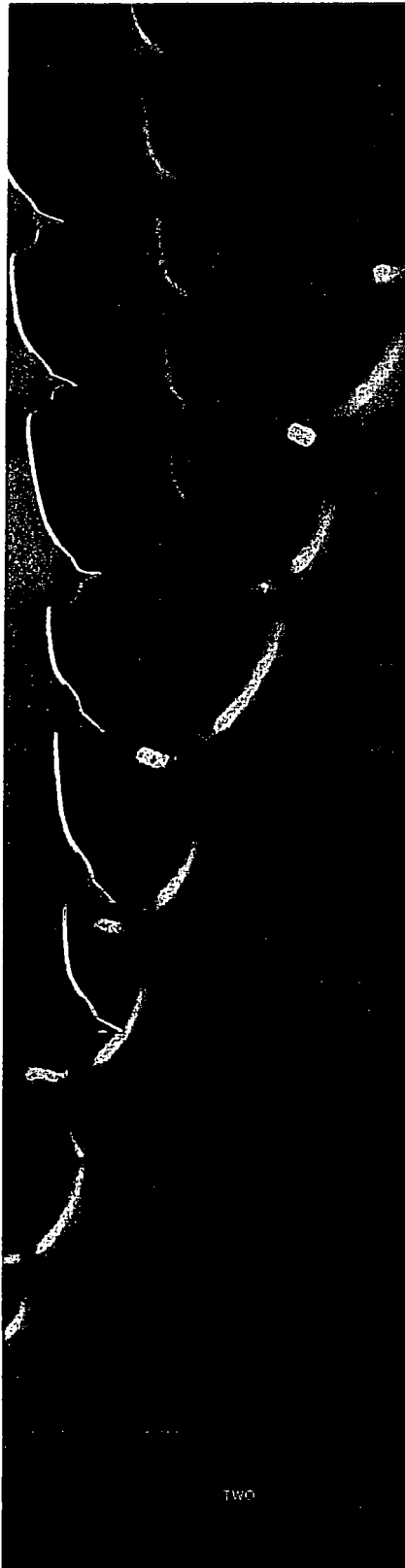
Rachel Sacco
President & CEO



A handwritten signature in cursive script.

Jack Miller
Board Chairman

ONE



ABOUT US

EXPERIENCE SCOTTSDALE OVERVIEW

Originally founded in 1987 as the tourism arm of the Scottsdale Area Chamber of Commerce, Experience Scottsdale became a standalone organization in 2001. Experience Scottsdale has more than 40 full- and part-time employees, along with a volunteer board of directors who represent a variety of segments from the tourism industry. Experience Scottsdale is a 501(c)(6) nonprofit, private company that has contracts with the City of Scottsdale and Town of Paradise Valley to conduct destination marketing efforts on behalf of these municipalities. Combined, these entities provided approximately \$11.2 million of Experience Scottsdale's \$14.2 million budget in 2016-17.

Experience Scottsdale's primary source of revenue comes from bed tax collected and remitted by Scottsdale resorts and hotels. Experience Scottsdale receives half of the annual bed-tax collections for destination marketing, while the City allocates \$1.5 million to the general fund and invests the remaining dollars. The City's Tourism Development Commission (TDC) offers recommendations to the Scottsdale City Council on apportioning the City's remaining half of bed-tax revenue, which is designated primarily for tourism-related capital projects and special events. The City's Tourism & Events Department oversees Experience Scottsdale's contract with the City.

Partnering with neighboring communities allows Experience Scottsdale to build the region's attractiveness in the eyes of our visitors, especially as these communities build attractions and hotels along Scottsdale's borders. Experience Scottsdale merges and leverages its revenue in order to maximize the return on investment for all partners. Experience Scottsdale has served as the Town of Paradise Valley's destination marketing organization since 1987; our current contract goes through June 2020. Additionally, the Salt River Pima-Maricopa Indian Community and Fort McDowell Yavapai Nation invest in Experience Scottsdale's marketing efforts.

Another Experience Scottsdale public-revenue source is the State of Arizona, via Proposition 302, in which Maricopa County hotel operators and rental car companies collect and remit an additional tax to the State that is then divvied among numerous projects.

As a membership-based organization with more than 400 members, Experience Scottsdale receives private revenue via membership dues and through program participation fees.

VISION

Our vision is to position Scottsdale as a world-class vacation, meetings and group travel destination by communicating an image that sells the uniqueness of the Scottsdale experience.

MISSION

Experience Scottsdale is committed to enhancing the economic base of Scottsdale and its partnering communities through a strong visitor, meetings and group travel industry. We achieve this by:

- Maintaining a leadership position in Arizona's hospitality and tourism industry.
- Positioning Scottsdale in top-performing domestic and international markets to attract targeted, high-value visitors to Scottsdale.
- Teaming with member businesses to create awareness and excitement among meeting planners, tour operators, travel agents and media in our established feeder markets, while building credibility and interest in our entry markets.

RETURN ON INVESTMENT

Every dollar invested in Experience Scottsdale directly generates \$67 in visitor spending and \$3 in local tax revenue for the benefit of Scottsdale residents. Experience Scottsdale's annual direct economic impact to the community is \$229 million.

Sources: Longsight International and Tourism Economics

INDUSTRY OUTLOOK

A LOOK BACK

Scottsdale concluded 2016 with positive year-over-year increases in average daily rate and revenue per available room. However, occupancy remained flat, which was expected due to escalated numbers from Super Bowl XLIX in 2015. When compared to the top 25 markets, Scottsdale's occupancy growth of 0.1 percent for 2016 puts the destination in the No. 13 spot for growth. In comparison, Phoenix ranked No. 2 for growth.

| SCOTTSDALE VS. OTHER U.S. MARKETS | | | | |
|--|------------------|----------------|----------------|------------|
| 2016 (January – December) | | | | |
| | Scottsdale Area* | Phoenix Metro* | Top 25 Markets | Total U.S. |
| Occupancy | 68.2% | 67.2% | 73.4% | 65.5% |
| ADR | \$180.64 | \$129.01 | \$151.22 | \$123.97 |
| RevPAR | \$123.68 | \$82.69 | \$110.97 | \$81.19 |
| Percent Change — 2016 vs. 2015 | | | | |
| Occupancy | 0.1% | 2.2% | -0.3% | 0.1% |
| ADR | 1.2% | 1.8% | 3.6% | 3.1% |
| RevPAR | 1.8% | 4.1% | 2.4% | 2.2% |
| *Includes all hotels in Experience Scottsdale's membership, including from Scottsdale, Paradise Valley, Salt River Pima-Maricopa Indian Community, Fort McDowell Yavapai Nation and a few in Phoenix | | | | |
| *Includes Scottsdale area | | | | |
| Source: Smith Travel Research, Inc., December 2016. Reproduction or other reuse of this data without express written permission of STR is strictly prohibited. | | | | |

When comparing Scottsdale to other warm-weather destinations in our competitive set, the area's occupancy growth is in the middle, but Scottsdale's ADR and RevPAR growth trail toward the bottom. In 2016, Palm Springs and Los Angeles experienced the strongest growth.

| SCOTTSDALE VS. WARM WEATHER COMPETITORS | | | |
|--|-----------|-------|--------|
| Percent Change — 2016 vs. 2015 | | | |
| | Occupancy | ADR | RevPAR |
| Austin | -2.0% | 3.1% | 1.1% |
| Dallas | 1.2% | 4.4% | 5.7% |
| Houston | -9.1% | -3.6% | -12.4% |
| Los Angeles | 2.2% | 8.5% | 10.8% |
| Miami | -2.7% | -2.6% | -5.5% |
| Orlando | -1.6% | 3.5% | 1.9% |
| Palm Springs | 4.3% | 7.4% | 12.0% |
| San Antonio | -0.1% | 1.4% | 1.3% |
| San Diego | 1.0% | 2.8% | 2.8% |
| Scottsdale | 0.1% | 1.2% | 1.8% |
| Tampa | 0.4% | 5.6% | 6.0% |
| Tucson | 2.8% | 4.6% | 7.5% |
| Source: Smith Travel Research, Inc., December 2016. Reproduction or other reuse of this data without express written permission of STR is strictly prohibited. | | | |

Scottsdale's overall recovery since the economic downturn in 2009 has been slow, but steady. Scottsdale's 68.2 percent occupancy in 2016 is 1.6 percentage points from our high in 2006 when occupancy was 69.8 percent. However, not accounting for inflation,

THREE

Scottsdale's ADR of \$188.64 and RevPAR of \$128.68 have continued to grow, outperforming all previous levels.

| SCOTTSDALE TOURISM INDUSTRY MEASUREMENTS | | | |
|--|-----------|----------|----------|
| | Occupancy | ADR | RevPAR |
| 2016 | 68.2% | \$188.64 | \$128.68 |
| 2015 | 67.7% | \$185.33 | \$125.38 |
| 2014 | 66.9% | \$172.13 | \$115.10 |
| 2013 | 64.9% | \$158.40 | \$102.79 |
| 2012 | 61.9% | \$151.16 | \$93.51 |
| 2011 | 61.4% | \$150.88 | \$92.70 |
| 2010 | 60.2% | \$136.97 | \$82.50 |
| 2009 | 56.0% | \$139.28 | \$78.03 |
| 2008 | 61.0% | \$172.26 | \$105.05 |
| 2007 | 66.6% | \$170.59 | \$113.58 |
| 2006 | 69.8% | \$164.19 | \$114.46 |

*Data reflects year-end numbers reported in the specified calendar years
Source: Smith Travel Research, Inc. Reproduction or other re-use of this data without express written permission of STR is strictly prohibited

In 2016, bed-tax collections increased 5.1 percent year-over-year to \$18.2 million. Even without the bed-tax increase passed in 2010 by Scottsdale voters whereby the bed-tax rate increased from 3 percent to 5 percent, total collections in 2016 would have surpassed our peak collections from 2007.

SCOTTSDALE FORECAST

In 2017, Scottsdale-area hotels and resorts are projected to experience flat occupancy with only slight increases in ADR and RevPAR. This is on par with the entire United States. STR forecasts that on average, U.S. markets will see a 0.3 percent drop in occupancy, a 2.8 percent bump in ADR, and a 2.5 percent bump in RevPAR. Following is the 2017 forecast for the Scottsdale area.

Occupancy: -0.8% to 67.5% ADR: +5.1% to \$198.00 RevPAR: +4.3% to \$133.65

Source: Smith Travel Research, Inc. Reproduction or other re-use of this data without the express written permission of STR is strictly prohibited

LOCAL OPPORTUNITIES

The tourism industry is of critical importance to Scottsdale – generating jobs and tax revenues and impacting the quality of life for residents.

TOURISM'S IMPORTANCE TO SCOTTSDALE

- Tourism is one of Scottsdale's largest industries, with one in every 10 jobs directly related.
- Scottsdale hosted 8.6 million domestic visitors in 2015.
- These domestic visitors, plus international visitors, pay more than 20 percent of Scottsdale's privilege tax collections.

Sources: City of Scottsdale's Longwoods Travel USA Scottsdale 2016 Visitor Report, City of Scottsdale's Applied Economics 2016 Scottsdale Tourism Study, City of Scottsdale's 2016 Fall Demographic and Business Profile

As evidenced across the globe, destination marketing organizations (DMOs) like Experience Scottsdale are evolving into destination management organizations. Although marketing remains a priority, DMOs are becoming more actively involved in their communities. To protect their brands, DMOs are ensuring their communities live up to the image they promote to the world. In doing so, they are taking a holistic view of their communities to improve the visitor's experience and the resident's quality of life. They are taking on advisory roles for

FOUR

their local governments, supporting economic development, collaborating in the planning and vision of their communities, and working toward creating better experiences for visitors.

With this in mind, Experience Scottsdale's Board of Directors defined a vision for Scottsdale to move the destination's renowned tourism brand and product into the future. The vision is founded on three pillars: product experience and development, transportation and regional connectivity, and downtown activation and connectivity. Tackling these three ideas is a big task, and the tourism industry is working with city leaders to prioritize projects that fall within these parameters.

Product & Experience Development

In order to remain competitive, Scottsdale has to continue offering products and experiences that meet the needs of today's travelers and are authentic to our destination. The City of Scottsdale is currently considering various projects that could help achieve this. Such plans could offer more opportunities by maximizing current event space and creating new gathering spaces in the city. Priorities include:

- **Construction of the Desert Discovery Center:** The Desert Discovery Center is envisioned as a not-for-profit interpretive, education and research center in the McDowell Sonoran Preserve Gateway. The Center will teach visitors and residents how to live in an arid environment through fun, emotional, sensory and cognitive interactions and exhibits.
- **Renovations to Scottsdale Civic Center Mall:** The goal of the Scottsdale Civic Center Mall renovations is to create an "event ready" venue that will allow the destination to be competitive in attracting large-scale tourism events and reboot the Civic Center as the city's epicenter.
- **Upgrades to WestWorld of Scottsdale:** Numerous investments have been made in WestWorld of Scottsdale over the years to create a more desirable and year-round event venue, though many additional improvements are needed to make WestWorld more competitive.

Transportation & Regional Connectivity

Both visitors and residents increasingly desire the ability to easily move around our community and connect to neighboring communities. Scottsdale must explore options that will move visitors from Phoenix Sky Harbor International Airport to our hotels and resorts and throughout the city, as well as focus on our downtown, looking at improving walkability, creating a bike-share program, and adding parking. Priorities include:

- **Creation of Visitor Transportation Pilot Program:** With limited transportation options, a visitor transportation pilot program is an opportunity to help visitors get from the airport to their hotel and move throughout the city. Such a program could reimburse travelers for ride-sharing, taxi or car services in Scottsdale.

Downtown Activation & Connectivity

Downtown Scottsdale is the heart of our community. But to attract new customers to the area and support local businesses downtown, we need additional energy and vibrancy both day and night. To do so, Scottsdale needs to take a holistic approach to downtown planning that encapsulates connectivity. The city needs distinct points of interest and places for people to gather and spend time. Such spots would allow for additional product and special events, thus new reasons for people to come downtown. Priorities include:

- **Fulfillment of the Downtown Public Spaces Master Plan:** The master plan, which is included as part of the City of Scottsdale Downtown Scottsdale 2.0 tourism-related economic feasibility study, will build connections between four parcels in downtown cited for redevelopment. The areas will be transformed into public spaces and parks with connections throughout downtown that promote walkability.
- **Upgrades to Scottsdale Stadium:** Given the age of the stadium, the increased demand of events, and larger crowd attendance, multiple upgrades are needed for seating, retail areas, kitchens, and the roof, among others. San Francisco Giants spring training at Scottsdale Stadium has an economic impact of \$27 million for the city, though there are more opportunities to utilize the stadium year-round.

FIVE

Through this vision and these priorities, we have an opportunity to create an even more desirable destination that will help us sustain our tourism industry and attract new and repeat customers to Scottsdale.

NATIONAL TOURISM OUTLOOK

The following trends could impact travel in the coming year:

- **Leisure Travel:** More than one-third of Americans plan to take a family vacation 50 miles or more from home with two or more immediate family members in 2017, according to a survey from AAA. This year, family travelers appear to be eyeing more trips, with 28 percent planning to take three or more vacations this year. Meanwhile, the luxury sector is beginning to cater to family travel. Affluent parents are increasingly bringing their children on luxury vacations, according to a Top Flight Family survey. Top Flight Family surveyed individuals with incomes of at least \$100,000, and 43 percent of respondents have stayed with their children at a five-star hotel or resort. Whether looking to foster togetherness or wanting to give children an educational experience, parents see travel as a valuable opportunity for their kids. Such affluent households are spending an average of \$23,000 per year on family travel.

Although "experience," "authentic" and "curated" had their time in the spotlight, "simplicity" will be the next buzzword in luxury travel, according to Ovation Vacations' "Luxury Vacation Trends 2017" report. There's rising demand for more "rustic luxury" experiences integrated into natural surroundings, but still with world-class culinary and wellness experiences. And the next generation of luxury travelers are seeking hotels in smaller destinations that offer everything they want nearby – a convergence of food, art and design.

Culinary continues to be a major hook in travel and trip planning as recognized by *Skift* in 2016. The publication's "Megatrend 2017" report noted that because restaurants are destinations in their own right, dining out is now a main event. A survey of travelers revealed the majority of Americans identify with casual food, craft beer, food markets, and food festivals, more so than fine dining restaurants and wine tourism. And to some degree, all travelers are foodie travelers, as evidenced by a World Food Travel Association survey that found 95 percent of people are interested in culinary travel experiences. Craft beer, especially, has grown into a massive consumer market. Craft beer enthusiasts are a growing demographic of niche travelers who explore brewpubs, local breweries, beer trails and beer-related events.

- **Business Travel:** Uncertainty about federal policies has impacted expectations for business travel in 2017. Business travel spending is expected to increase 4.4 percent in 2017 to \$296 billion, per the Global Business Travel Association (GBTA), largely driven by price inflation. However, such forecasts were made before the Trump administration's call to ban travel from some Muslim-majority countries. More recent surveys from both the Association of Corporate Travel Executives and the GBTA have shown companies are planning to cut back on business travel. However, business travelers remain dedicated to staying on the road for work, with 64 percent agreeing their employers feel business travel is very important to their organization's overall financial performance. Almost nine out of 10 travelers say they would prefer to travel the same amount or more in the future.

- **Meetings:** According to MFI's 2017 Meetings Outlook, the rate of growth in the meetings and event industry is slowing slightly. While 58 percent of MFI's survey respondents projected favorable business conditions for the coming year, that figure declined from an earlier survey just a few months prior. Budgets are tight for meetings, and planners and organizers are trying to do more with less. Although 45 percent of respondents also predict favorable budget/spend over the next year, the estimated percentage increase in actual budgets has dropped to 0.6 percent.

SIX

American Express Meetings & Events reports that small meetings are poised for big growth in 2017. Internal, advisory and training meetings are expected to increase in frequency. Second-tier cities are also becoming vital to the meetings industry because of their affordability and authenticity, especially as planners – and attendees – experience big city fatigue.

The meetings industry is also seeing a shift toward “festivalization” as events like C2 and South by Southwest gain popularity, according to *Skift*. These hybrid festival/conference events pull together inspiring minds in business, tech, media, science, education, art, and culture, and house them in creative venues and collaborative spaces. Festivalization also includes the strategy of co-locating ancillary events before, during and after large conventions.

- **Air Travel:** Per the International Air Transport Association, global demand for air travel grew 6.3 percent in 2016 compared to the year prior, which is well ahead of the 10-year average annual growth rate of 5.5 percent. International passenger traffic rose 6.7 percent in 2016 compared to 2015, and North American airlines saw demand rise 2.6 percent. In 2016, connectivity increased with the establishment of more than 700 new routes. As a result, a record 3.7 billion passengers flew to their destinations. The U.S. Department of Transportation reported U.S. airlines carried a record 823 million passengers in 2016, including 719 million domestic passengers and 104 million international travelers. That number is up 3.1 percent over the year prior. Despite pushback from American, Delta and United airlines, the U.S. State Department under the Obama administration reaffirmed the aviation policy known as Open Skies, allowing Emirates, Etihad and Qatar airlines to continue operating flights and expanding air services on routes to the U.S. The U.S. Travel Association is urging the Trump administration to uphold the policy.

- **Lodging Industry:** The U.S. hotel industry reported positive results in the three key performance metrics during 2016, according to Smith Travel Research (STR). Overall, in year-over-year results, the U.S. hotel industry's occupancy was nearly flat, up 0.1 percent to 65.5 percent; average daily rate (ADR) rose 3.1 percent to \$123.97; and revenue per available room (RevPAR) increased 3.2 percent to \$81.9. The absolute values in the three key performance metrics were each the highest STR ever benchmarked. Among the Top 25 Markets, Los Angeles/Long Beach posted the year's only double-digit increase in RevPAR (+10.8 percent), primarily driven by the largest rise in ADR (+8.5 percent). Norfolk/Virginia Beach saw the largest occupancy increase (+5.0 percent). “In general, we view 2016 as an average year for the U.S. hotel industry,” said Amanda Hite, STR's president and CEO. “The three key performance metrics hit record highs, but at the same time, RevPAR growth was just below the 30-year U.S. average.”

“Demand has outpaced supply in terms of growth for seven consecutive years, but we expect that to change in 2017 and continue in 2018,” said Hite. “In an environment where occupancy is flat or slightly declining, ADR is the lone driver of RevPAR, which is why we expect RevPAR growth in 2017 and 2018 to be slower than the industry average of the past 30 years (+3.3 percent). That said, growth of any rate continues to push industry performance to all-time highs.”

“The fact is that U.S. hotels are achieving record occupancy levels and near record profit margins,” said R. Mark Woodworth, senior managing director of CBRE Hotels' Americas Research. “A lot of money is being made from hotel operations these days. While the prospects for growth in revenues and profits are moderating, opportunities still exist.”

Following are expectations by STR, CBRE Hotels Americas Research and PricewaterhouseCoopers (PwC) for 2017.

SEVEN

| 2017 U.S. LODGING INDUSTRY GROWTH FORECASTS | | |
|---|-------|--------|
| | ADR | RevPAR |
| STR | +2.8% | +2.5% |
| CBRE | +3.1% | +3.0% |
| PwC | +2.6% | +1.7% |

- International Travel:** Despite challenges around the world, particularly those related to safety and security, demand for international tourism remained robust in 2016. According to the United Nations World Tourism Organization, the number of international tourists rose 3.9 percent in 2016 to 1.23 billion. Last year marked the seventh consecutive year of sustained growth, and such a sequence of uninterrupted solid growth has not been recorded since the 1960s. Looking ahead, the organization forecasts similar growth in 2017, with the number international tourist arrivals growing between 3 to 4 percent. However, the continuing strength of the dollar against a weak global economy coupled with geopolitical events have raised concerns about international travel for 2017. Adam Sacks, president of Tourism Economics, has said the annual number of foreign visitors to the United States could fall by 6.3 million between 2016 and 2018 because of global reaction to Trump administration policies and rhetoric. According to Sacks, interest in visiting the United States, including online searches for airline tickets and hotels, started dropping after the election. He anticipates the most significant losses will come from Mexico, Europe and the Middle East. Tourism Economics estimates lost visits from Mexico alone will total 1.8 million in 2017 – a direct economic loss of \$1.1 billion.

Sources: CBRE Hotels Americas Research, International Air Transport Association, IATA, Skift, Smith Travel Research, Inc., Successful Meetings, The New York Times, U.S. Department of Transportation, U.S. Travel Association, United Nations World Tourism Organization

EIGHT

2017-18 STRATEGIC INITIATIVES

Each year, Experience Scottsdale works to maintain programs that provide a consistent return on investment while implementing new programs that will allow us to remain competitive. Following are several areas that Experience Scottsdale will focus on in the coming year to drive new visitation and meetings groups to Scottsdale.

ENGAGE IN HIGH-IMPACT ADVERTISING IN MAJOR MARKETS

Experience Scottsdale's marketing plan includes a presence in luxury, in-flight and driver-specific publications, as well as a robust online program that includes search engine optimization and pay-per-click campaigns. Our television commercials will run on broadcast and cable stations in our key feeder markets. And Experience Scottsdale's high-impact, out-of-home programming will enhance these strategies in key U.S. markets of Chicago, New York, San Francisco and Los Angeles. These efforts may include station dominations, train and tunnel wraps, and billboards. Although Canada's economy continues to struggle and the Canadian dollar remains weak against the U.S. dollar, Experience Scottsdale will maintain its focus on this important market as Canadians are still interested in visiting warm-weather destinations to escape the cold winter months. Our high impact advertising, which will feature the *Absolutely Scottsdale* messaging, will help boost the destination's brand recognition in our top visitor markets.

LAUNCH CULINARY MICROSITE, "DESERT DISH SCOTTSDALE"

Experience Scottsdale will unveil a new microsite, "Desert Dish Scottsdale," which will help elevate our culinary story and inspire, educate and compel audiences to travel to Scottsdale specifically for its food and beverage offerings. Experience Scottsdale is partnering with a local culinary magazine to produce thoughtful and inspiring articles and videos for the website. In recent years, food has become a major trend in tourism, as evidenced by research conducted in conjunction with our rebranding efforts, which revealed "great restaurants" is the No. 1 driver for travel. A World Food Travel Association survey conducted in 2016 revealed 95 percent of people are interested in some type of culinary travel experience, up from 77 percent in 2013. Although the Scottsdale area has had a strong culinary scene for years, we need to better raise awareness. DesertDish.com will help visitors access, navigate and explore Scottsdale's dining scene.

CONNECT WITH CLIENTS IN EMERGING SECOND-TIER MARKETS

In addition to targeting first-tier markets, Experience Scottsdale's convention sales team will plan client events and sales calls in second-tier cities, such as Austin, Nashville, Kansas City and Stamford, Conn. By emphasizing these emerging markets, Experience Scottsdale will build new contacts and increase planners' familiarity with the destination. After finding success in Connect Meeting's national shows, Experience Scottsdale also will attend the organization's appointment-only regional trade shows in Cincinnati, Denver, and Washington, D.C., to generate new business through one-on-one meetings.

TARGET HIGH-VALUE SOCIAL MEDIA INFLUENCERS

While Experience Scottsdale will continue to work with traditional media outlets, an increased focus will be placed on leveraging social influencers. These influencers help tell Scottsdale's niche stories to their loyal Facebook, Twitter and Instagram audiences. The communications and marketing teams will work in tandem to execute programs such as Instagram takeovers to increase followers for Experience Scottsdale's social platforms. This shift comes as traditional media outlets continue to dwindle. Travelers are becoming more discerning about how they receive their travel inspiration and information, and more and more are turning to travel blogs and social channels.

HOST MULTI-CLIENT EVENTS IN KEY MARKETS

Experience Scottsdale's tourism, communication and convention sales teams will join forces to host multi-client events in some of our top revenue markets. Throughout the fiscal year, the teams will host events that bring together media, meeting planners and travel professionals in Chicago (Scottsdale's No. 2 domestic market), San Francisco (No. 4), and Denver (No. 5). During these multi-client events, Experience Scottsdale staff are joined by participating members to mix and mingle with clients and introduce them to Scottsdale's wide-range of amenities. Multi-client events allow Experience Scottsdale teams to pool resources and host clients in exciting venues and environments: Chicago Blackhawks, San Francisco Giants and Colorado Rockies games. Such events pique clients' interest and help increase Scottsdale's presence in these important markets.

PRODUCE AND DISTRIBUTE INDUSTRY RESEARCH

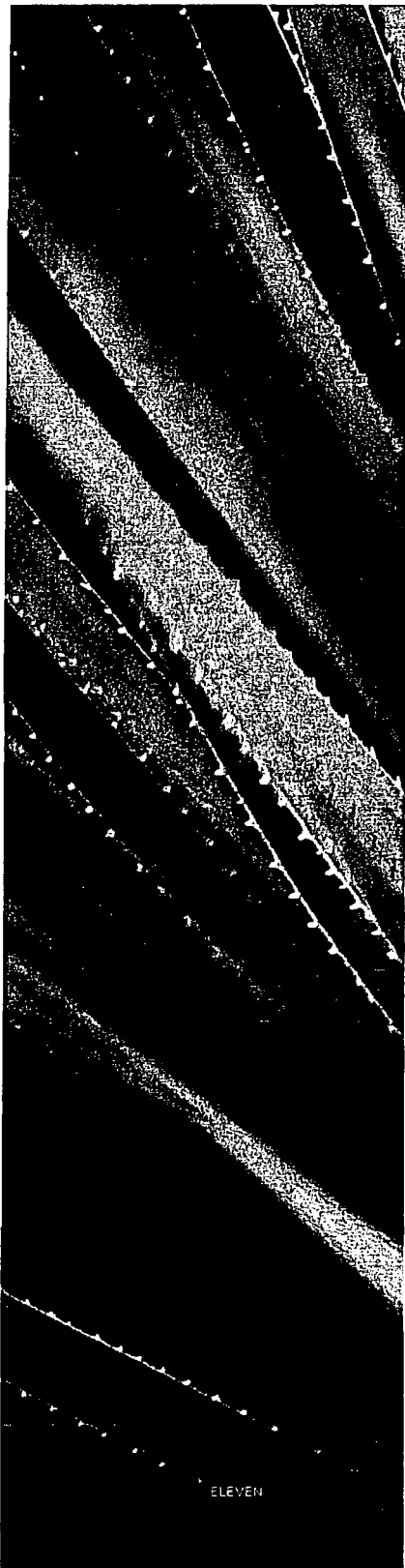
Research is critical to the success of Experience Scottsdale's marketing and sales initiatives, ensuring our programs are cost-efficient and effective in attracting the right business to Scottsdale. Experience Scottsdale will once again publish results from the biennial Visitor Industry Customer Analysis. With the results from this research study, Experience Scottsdale will find the most effective ways to keep Scottsdale top of mind with potential customers. The research enables the bureau to target, down to the household level, potential high-value visitors with a propensity to travel to Scottsdale. Experience Scottsdale will use the research to determine where and when advertising is placed in each market. Experience Scottsdale also will continue to commission additional proprietary research, including STR reports on Scottsdale-area hotel performance and ORCA reports on local golf performance. By recapping such research, Experience Scottsdale will equip members with insight into the state of the local and national tourism industries.

SUPPORT CITY EVENT VENUES & DESTINATIONS

Experience Scottsdale continues to work with the City of Scottsdale to promote the City's event venues, such as WestWorld of Scottsdale, Scottsdale Stadium and Scottsdale Sports Complex. We also work closely with City destinations, such as Downtown Scottsdale, Scottsdale Airport, Scottsdale Arts and Scottsdale's Museum of the West, to promote these amenities and attractions through our marketing, communications, convention sales and services, and tourism programs.

SUPPORT CITY'S FIVE-YEAR TOURISM STRATEGIC PLAN

Experience Scottsdale continues to work with the City of Scottsdale, Tourism Development Commission and Tourism Advisory Task Force to implement the strategies outlined in the City's five-year tourism strategic plan. Numerous Experience Scottsdale staff members are contributing to task force working groups. The strategic plan initiatives are designed to enhance Scottsdale's tourism industry and unique character of place, and create new visitor experiences that could boost our destination's appeal.



MARKETING

OVERVIEW

Experience Scottsdale's marketing department brands the Scottsdale area as an upscale leisure and meetings destination through the use of advertising, high-end collateral and publications, online and email outreach, social media, and event marketing. The department manages advertising, fulfillment, online, creative and visitor services.

TARGET AUDIENCES

Experience Scottsdale strategically targets the consumer, meetings, and tour and travel markets based on comprehensive research.

| GEOGRAPHIC TARGET MARKETS | |
|---------------------------|---|
| Primary: | Canada (Calgary, Edmonton, Toronto, Vancouver), New York, Chicago, Los Angeles, San Francisco |
| Secondary: | Phoenix |

| SCOTTSDALE LEISURE TRAVELER – AVERAGE OVERNIGHT DOMESTIC VISITOR | |
|--|--------------|
| Average age | 49 years old |
| Average household income | \$80,720 |
| Average length of stay | 3.9 nights |
| Per person expenditures | \$244 |
| Percentage of overnight stays in a hotel/resort | 57% |
| Top activities (rank order): shopping, fine dining, swimming, visiting a landmark/historic site, hiking/backpacking, visiting a national/state park, visiting a museum, going to a casino, going to a bar/nightclub, and golfing | |
| Source: City of Scottsdale's Longwoods Travel USA Scottsdale 2016 Visitor Report | |

| SCOTTSDALE LEISURE TRAVELER – LUXURY VISITOR | |
|---|--------------|
| Represents more than 50% of Scottsdale's core customers who stay at area luxury resorts | |
| Median age | 50 years old |
| Median household income | \$247,000 |
| Average length of stay | 2.75 nights |
| Average daily room expenditures | \$321 |
| Average daily on-property expenditures (including room) | \$459 |
| Visited the city more than once in a year | 42% |
| Includes on-property expenditures only and does not include daily off-property expenses | |
| Source: Experience Scottsdale Visitor Industry Customer Analysis 2015 | |

BRAND POSITION

Scottsdale's desert location and stirring beauty offer our visitors a getaway that promises relaxation, excitement and discovery. A trip to Scottsdale leaves our visitors feeling effortlessly revitalized.

PROGRAMS

Many marketing programs are open for Experience Scottsdale member participation. For specific opportunities, refer to the online schedule.

Media Plan

Each year, Experience Scottsdale creates a media plan based on extensive research and strategic planning to align Scottsdale's brand message with the appropriate mediums to target our niche audiences. With intense competition in the travel marketplace,

Experience Scottsdale looks for the most effective, yet unique and creative, outlets for the Scottsdale message to reach our target audiences. For example, by buying regional media, Experience Scottsdale can effectively reach potential visitors in key feeder markets. To extend the reach of Scottsdale's messages and maximize individual branding potential, Experience Scottsdale encourages members to purchase ad space near the organization's advertising at preferred member rates.

Seasonal Campaigns

In addition to brand advertising, Experience Scottsdale develops seasonal marketing campaigns to push messaging around key destination need time periods such as the holidays and summer. These targeted campaigns use print, direct mail and online mediums to strengthen destination awareness and exposure in key feeder markets, and drive consumers online to learn more.

Relationship Marketing

We maintain permission-based databases for leisure travelers, meeting planners and travel professionals. These databases are used for direct mail and email to keep Scottsdale top of mind with people who have already visited, expressed an interest in visiting, or fit the profile of our target audience.

Publications & Promotional Materials

Experience Scottsdale produces a variety of publications including the Scottsdale Visitor Guide, the primary fulfillment piece for leisure travelers. Other publications available to visitors include the Hiking & Trail Guide, as well as online downloadable guides such as the Downtown Guide, Western Guide and Architecture Guide. To assist meeting planners, travel agents and tour operators, Experience Scottsdale produces the Scottsdale Meetings & Travel Planners Guide and offers high-quality promotional materials that can be used to sell Scottsdale, including brochures, maps, photos and videos.

Online Marketing & Social Media

ExperienceScottsdale.com is Experience Scottsdale's primary website. As part of our online marketing strategy, pay-per-click advertising and search marketing programs drive visitors to the website. We also maintain an active presence on social media sites such as Facebook, Twitter, YouTube and Instagram to further promote Scottsdale. In addition, Experience Scottsdale uses videos, a local influencer program, a responsive website and downloadable guides to provide greater access to information online.

Event Marketing

Experience Scottsdale supports special events by incorporating them into our advertising, visitor guides, website, emails and social media outlets to help drive incremental visitation to the destination. Experience Scottsdale also provides visitor services at several events. In addition, Experience Scottsdale works with special event producers to secure new events that fill room nights and attract new customers to Scottsdale.

Visitor Services

Experience Scottsdale operates the Scottsdale Tourist Information Center, a full-service visitor center located in Scottsdale Fashion Square's food court. Concierges provide visitors with destination information and personal help. In addition, the Scottsdale Tourist Information Center displays Experience Scottsdale member brochures.

COMMUNICATIONS

OVERVIEW

Experience Scottsdale's communications department garners positive publicity for the Scottsdale area as a premier travel and meetings destination. Through the voices of credible journalists, Experience Scottsdale is able to increase awareness for Scottsdale, position the area as a world-class destination, and ultimately increase demand. In markets where advertising dollars are scarce or nonexistent, communications programs are the most important tactic used to generate awareness for Scottsdale.

TARGET AUDIENCES

Targeted, positive media exposure in print, broadcast, online and social mediums frequently generates interest in Scottsdale.

GEOGRAPHIC TARGET MARKETS

- **Domestic:** Chicago, Denver, Los Angeles, New York, San Francisco
- **International:** Canada, France, Germany, Mexico, United Kingdom

PROGRAMS

Many communications programs are open for Experience Scottsdale member participation. For specific opportunities, refer to the online schedule.

Media Missions & Trade Shows

Experience Scottsdale targets members of the press in key cities with one-on-one editorial meetings, receptions and other special events. These missions allow Experience Scottsdale to build relationships and target high-caliber journalists with strategic messages. When possible, Experience Scottsdale also attends travel trade shows to establish and further develop media relationships and pitch story ideas.

Media Familiarization Tours

Experience Scottsdale encourages qualified journalists to visit and explore Scottsdale. Media who visit typically produce better coverage and write more frequently about the destination than those who have not. Experience Scottsdale facilitates these individual and group visits by providing story ideas and coordinating customized itineraries with the support of our members who provide accommodations, meals and activities. Group tours are often produced around specific drivers or special events to attract niche media.

Experience Scottsdale also hosts a biennial travel writers conference, Travel Classics West, which provides an additional way to introduce top editors and freelance writers to the destination. When the conference is in another city, Experience Scottsdale representatives attend as sponsors to develop and maintain media relationships.

Media Resources

Experience Scottsdale's resources provide story ideas, enhance editorial coverage and help Experience Scottsdale build relationships with media.

- **Press Kits:** Experience Scottsdale's press kits, which were written by local writers and experts, are used for media fulfillment. Press kits are available online, and visiting media are encouraged to download the press kits from the website.
- **Press Releases:** Throughout the year, media are targeted with news and seasonal releases, which often incorporate information submitted by Experience Scottsdale members. Some materials are available in other languages.
- **Customized Pitches:** Customized pitches allow Experience Scottsdale to tailor the message to a publication and its audience to secure thorough, high-value coverage.

THIRTEEN

- **Destination Images:** Experience Scottsdale provides media with high definition video footage and images to enhance Scottsdale editorial.
- **Scottsdale Travel News:** This monthly e-newsletter updates more than 4,000 domestic and international media on what's new in Scottsdale. Niche versions covering golf and meetings are distributed twice a year.
- **Scottsdale Sun News:** This printed newsletter, which is sent in March and September, provides destination information for travel agents, tour operators, meeting planners, and the media who cover these markets.

Public Relations Representatives

Experience Scottsdale contracts with international public relations representatives in Canada, the United Kingdom and Germany to have a more consistent presence in these markets. Experience Scottsdale also contracts with a domestic agency with offices in New York and Los Angeles to help further penetrate these media rich cities. In addition, Experience Scottsdale partners with a local golf-focused public relations agency. Our representatives help build relationships with media in their respective markets, respond to media requests, distribute press materials, coordinate media visits to Scottsdale, and advise Experience Scottsdale regarding opportunities to further our positioning.

CONVENTION SALES & SERVICES

OVERVIEW

Experience Scottsdale's convention sales and services department provides destination education to meeting planners and assists with securing space and services for meeting and incentive programs.

TARGET AUDIENCES

In Scottsdale, an estimated 45 percent of all resort and full-service hotel business results from meetings-related travel.

Corporate Meetings

More than 60 percent of meetings booked by Experience Scottsdale are from the corporate sector, including healthcare, high tech, financial, manufacturing, insurance, pharmaceutical and retail.

Association Meetings

Association meetings include major conventions, as well as board meetings, training/educational seminars, professional/technical meetings, and regional/local chapter meetings. These meetings account for more than 20 percent of Experience Scottsdale's bookings.

Niche Meetings

Niche markets include sports, government and the SMERF market (social, military, educational, religious and fraternal meetings). These groups, which account for less than a quarter of Experience Scottsdale's bookings, often are looking for value when selecting a meetings destination, which makes them a good fit for Scottsdale during the shoulder and summer seasons.

Third-Party Planners

Meetings from third-party planners account for more than half of Experience Scottsdale's bookings. Much of this can be attributed to Experience Scottsdale's relationships with third-party meetings services companies such as AMEX, HelmsBriscoe, ConferenceDirect, Experient and HPN.

PROGRAMS

Many convention sales and services programs are open for Experience Scottsdale member participation. For specific opportunities, refer to the online schedule.

Generating Leads

Experience Scottsdale customizes all meeting planners' requests for accommodations, meeting space and other types of services. Experience Scottsdale does not produce a convention calendar so as to protect the privacy of our clients and ensure that they are only contacted by companies that fit their needs. Experience Scottsdale works closely with both clients and members to ensure a great match between the needs and wants of our clients and the products and services of our members. In addition to leads generated from our own efforts, Experience Scottsdale also has agreements with Cvent and Starcite to generate incremental leads for the destination.

Trade Shows & Sales Calls

Experience Scottsdale connects face-to-face with meeting planners at select trade shows, which typically generate immediate leads for Experience Scottsdale members. Often in conjunction with a trade show, Experience Scottsdale will conduct sales calls to connect with additional planners. Members frequently partner with Experience Scottsdale for these events, increasing Scottsdale's presence in the markets.

FIFTEEN

Familiarization Tours & Site Inspections

To give clients a firsthand experience of Scottsdale, Experience Scottsdale conducts two large meeting planner familiarization tours (FAMs) each year: the Sunsational FAM in the spring and the Scottsdale Sonoran FAM in the fall. In addition to these larger FAMs, Experience Scottsdale frequently hosts smaller niche FAMs. When possible, FAMs are produced around special events. These FAMs provide an opportunity for members to showcase their properties and services to highly qualified meeting planners who are actively considering Scottsdale for future programs. In addition to FAMs, smaller and more customized site inspections are coordinated throughout the year for qualified clients. Experience Scottsdale's "Site See & Fly Free" program encourages planners from the U.S. and Canada with active business to fly free on us to see firsthand what makes Scottsdale one of the top meetings destinations.

Client Outreach

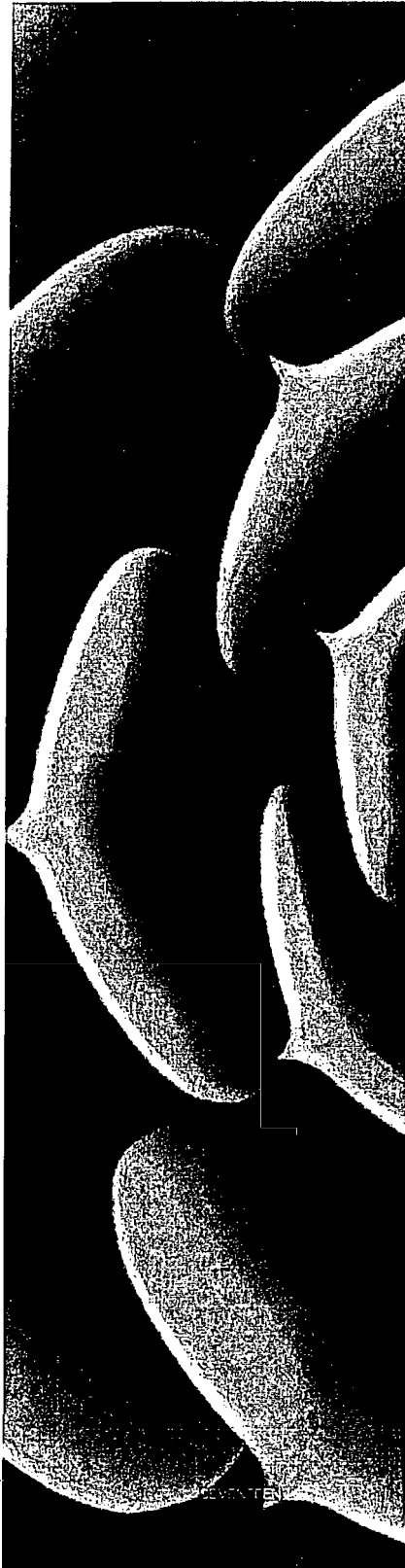
Clients are contacted during the year via direct mail, phone calls and emails to generate awareness, keep Scottsdale top-of-mind, and update customers on new amenities and products in the Scottsdale area.

Advertising & Public Relations

Experience Scottsdale reaches meeting planners through advertising in email blasts, digital efforts and online RFP tools such as Cvent and Starcite. The convention sales and communications teams also work together to keep Scottsdale top of mind with media from key meetings publications. In addition, Experience Scottsdale creates meeting planner promotions to target specific geographic areas, such as Canada, and to promote business during need times for the hotels and resorts.

Convention Services

By efficiently matching a planner's requests for destination management services, off-property venues, speakers, wholesale gifts and other types of services with member businesses, Experience Scottsdale streamlines the planning process and makes the planner's job easier. Experience Scottsdale also helps planners boost attendance for their programs by providing complimentary materials such as photos, videos, brochures, visitor guides and welcome letters.



TOURISM

OVERVIEW

Experience Scottsdale's tourism department provides destination education to travel agents and tour operators to help them best capture the Scottsdale experience for their clients and to ensure that Scottsdale stands out as a unique destination in tour operator product inventories throughout the world. The department also promotes the Scottsdale area to international meetings groups.

TARGET AUDIENCES

Experience Scottsdale's tourism programs are targeted to tour operators, airline vacation divisions, online tour operators and travel agents in the United States, Canada, Mexico and Europe.

United States

The top 12 revenue-producing markets for domestic visitors to Scottsdale are New York, Chicago, Los Angeles, San Francisco, Denver, Seattle, Minneapolis, Washington D.C., Boston, Dallas, Philadelphia and San Diego. The average domestic overnight visitor stays for 3.9 nights, and average per person expenditures are \$244. Favorite activities include shopping, fine dining, swimming, and visiting landmarks and historic sites. Scottsdale's most affluent visitors book their luxury accommodations approximately 44 days before traveling, and 42 percent visit Scottsdale more than once per year. Repeat visitation is most likely to occur in July and November.

Canada

Although Canadian visitation to the U.S. declined by 10 percent in 2015 largely due to the declining value of the Canadian dollar, Canada remains the largest international inbound market to the United States. At 20.7 million, Canadians represented 26 percent of all international arrivals to the U.S. According to the U.S. Department of Commerce's six-year forecast, Canadian visitation to the U.S. will grow by 1.8 million, nearly 9 percent, from 2015 to 2021. While the rest of the country saw a decline in Canadian visitation, Arizona saw a 3.5 percent increase in Canadian travelers with 928,051 visitors in 2015. They come to shop, dine, sightsee and participate in sports or outdoor activities. Canada remains Arizona's top-grossing international market by overall expenditures, despite per party spending dropping 3 percent to \$1,228 in 2015. Ninety percent of Canadian travelers to Arizona visited for leisure. Canadian visitors traveling to Arizona came primarily by air (66 percent), while 30 percent drove to Arizona. Top revenue-producing Canadian markets to Scottsdale are Toronto, Calgary, Vancouver, Edmonton and Montreal.

Mexico

Mexico is the second-largest international inbound travel market to the United States, but according to the U.S. Department of Commerce, it will rival Canada for the top origin market spot. In 2015, Mexican travelers represented 24 percent of all international travelers to the U.S. Mexico visitors to the U.S. are forecasted to grow by 4.2 million, nearly 23 percent, from 2015 through 2021, reaching 22.6 million. Favorite vacation activities of the Mexican traveler include shopping, restaurant dining and urban attractions. Travel packages that include added value such as complimentary nights, complimentary breakfast or room upgrades are most popular. Approximately 3.8 million Mexicans traveled to Arizona in 2015. While only 16 percent of all Mexican visitors to Arizona stayed overnight, 61 percent of these visitors stayed in a hotel with the other 39 percent staying in a private home.

Europe

In 2015, the U.S. saw an 11 percent increase in European travelers, with 15.7 million entering the U.S. Scottsdale's key target markets in Europe are the United Kingdom, Germany and France. The U.S. Department of Commerce forecasts that by 2021, arrivals from Europe will increase by 15 percent to 18 million. The largest growth will come from the U.K. (+402,000) and France (+239,000). In 2015, Arizona welcomed 133,903 German travelers, 117,581 U.K.

travelers, and 111,960 French travelers. The average U.K. visitor to Arizona is approximately 46 years old and has an average household income of \$105,071. Of Arizona's U.K. visitors, 28 percent flew into the United States through Las Vegas and another 20 percent came through Los Angeles. Arizona's German travelers are typically a bit younger at approximately 40 years old with a household income of \$102,455. They primarily travel to Arizona through Los Angeles and San Francisco. Visitors from France, who average 40 years old with a household income of \$76,598, also come through those two ports of entry. Visitors from these countries tend to spend more and stay longer, and often visit Scottsdale during the summer months.

Sources: Arizona Office of Tourism, City of Scottsdale, Experience Scottsdale, U.S. Department of Commerce, U.S. National Travel and Tourism Office

PROGRAMS

Many tourism programs are open for Experience Scottsdale member participation. For specific opportunities, refer to the online schedule.

Generating Leads

The tourism department generates leads for Experience Scottsdale members. Once a tour operator has established a relationship with a Scottsdale hotel, Experience Scottsdale introduces new itinerary ideas to enhance the experience for customers and hopefully increase the number of nights booked for a Scottsdale vacation.

Trade Shows & Sales Missions

Experience Scottsdale connects face-to-face with travel professionals at select trade shows, which generate immediate leads for Experience Scottsdale members. In addition, Experience Scottsdale conducts sales missions, client events and educational seminars in key markets to cultivate relationships with new clients and meet with long-term clients. During one-on-one client meetings, Experience Scottsdale reviews travel catalogues to ensure that Scottsdale hotels and resorts are properly featured within a Scottsdale-branded section, as well as the destination being prominently featured in the catalogue and possibly even highlighted on the cover.

Familiarization Tours & Site Inspections

Experience Scottsdale hosts familiarization tours (FAMs) for travel professionals to increase their overall knowledge of the destination by experiencing it firsthand. These FAMs and site inspections provide an opportunity for members to showcase their properties, services and events to travel professionals who are actively seeking new product to sell.

Product Training Seminars

Experience Scottsdale conducts in-person and online product training sessions for travel industry clientele and reservation agents who sell Scottsdale hotels and activities. These seminars are a valuable tool for increasing room-night bookings to the area – the more information each agent absorbs, the easier the destination is to sell to the leisure traveler.

Relationship Marketing

Tourism clients are contacted throughout the year via direct mail and email to generate awareness, keep Scottsdale top of mind, and update customers on new amenities and products in Scottsdale. Seasonal package promotions are emailed to travel agents to promote fall, spring and summer specials from Experience Scottsdale members.

Trade Cooperative Marketing

To drive more travelers to purchase Scottsdale vacation packages, Experience Scottsdale partners with international and domestic tour operators to create trade cooperative marketing campaigns in their respective cities and countries. These promotions are organized around seasonal travel packages or a Scottsdale vacation contest. Experience Scottsdale matches the nominal cost incurred by the tour operator to execute the promotion and in turn receives exposure in every medium of the promotion (e.g. print ads, direct mail, in-store displays).

EIGHTEEN

To gain additional exposure, Experience Scottsdale cultivates affinity marketing partnerships with companies outside the tourism industry who share a similar target audience. These layered campaigns often include in-store promotions, magazine ads and editorial, direct mail, email and catalogues. The cooperative efforts benefit Experience Scottsdale and the partnering company, as well as travel agents who are often included as a call-to-action for those interested in booking a Scottsdale vacation. Collected consumer information also allows Experience Scottsdale to provide additional information to potential visitors.

Services

Experience Scottsdale also helps travel professionals sell Scottsdale by providing complimentary materials such as photos, videos, brochures, maps, visitor guides and itinerary ideas. Many travel professionals include Scottsdale promotional pieces with itineraries for clients who have purchased a Scottsdale vacation.

Tourism Representatives

Experience Scottsdale works with trade representatives in the United Kingdom, Germany, Canada and Mexico. Our representatives respond to travel industry requests, participate in trade shows, and conduct educational seminars and sales missions in an effort to promote tourism to Scottsdale.

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BOARD OF DIRECTORS

| | | | |
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| * Jack Miller, Chair <i>Fairmont Scottsdale Princess</i> | Stuart Graff <i>Frank Lloyd Wright's Taliesin West</i> | Alan Klein <i>Embassy Suites Scottsdale</i> | * Rachel Sacco <i>Experience Scottsdale</i> |
| * Michael Surguine, Vice Chair <i>Sanctuary on Camelback Mountain Resort and Spa</i> | * Doug Heaton <i>Hilton Scottsdale Resort & Villas / Doubletree Resort by Hilton Paradise Valley-Scottsdale</i> | * Daniel Kuperschmid <i>Hyatt Regency Scottsdale Resort & Spa at Gainey Ranch</i> | David Scholefield <i>Tourism Development Commission Chair / Fairmont Scottsdale Princess</i> |
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| Marc Bromley <i>Four Seasons Resort Scottsdale at Troon North</i> | Sara Hunt <i>San Francisco Giants</i> | Blessing McAnlis-Vasquez <i>Salt River Pima-Maricopa Indian Community</i> | Kris Strauss <i>Troon</i> |
| * Town Manager Kevin Burke <i>Town of Paradise Valley</i> | Joe Iturri <i>The Saguaro</i> | Gabi Messinger <i>Yelp!</i> | * City Manager Jim Thompson <i>City of Scottsdale</i> |
| * Andrew Chippindall <i>Mountain Shadows</i> | * Mike King <i>Gammage & Burnham</i> | Mike Nealy <i>Fiesta Bowl</i> | Fred Unger <i>Spring Creek Development</i> |
| Del Cochran <i>Grayhawk Golf Club</i> | Councilwoman Suzanne Klapp <i>City of Scottsdale</i> | Neale Perl <i>Scottsdale Arts</i> | * Executive Committee Member * Ex-officio Member |
| Margaret Dunn <i>Dunn Transportation / Ollie the Trolley</i> | | | |

COMMUNITY PARTNERS

| | | | |
|--|--|--------------------------------|---|
| SCOTTSDALE TOURISM DEVELOPMENT COMMISSION | SCOTTSDALE TOURISM ADVISORY TASK FORCE | CITY OF SCOTTSDALE | FORT MCDOWELL YAVAPAI NATION |
| David Scholefield, Chair <i>Fairmont Scottsdale Princess</i> | John Holdsworth, Chair <i>Exclusive Enterprises</i> | Mayor W.J. "Jim" Lane | President Bernadine Burnette |
| Frank Ashmore <i>Omni Scottsdale Resort & Spa at Montelucia</i> | Kate Birchler, Vice Chair <i>Macerich</i> | Councilwoman Suzanne Klapp | Vice President Pansy Thomas |
| Linda Dillenbeck <i>The Image Group</i> | Andrew Chippindall <i>Mountain Shadows</i> | Councilmember Virginia Korte | Councilmember Gerald Doka |
| Carl Grupp <i>Industry Representative</i> | Kathy Duley <i>Up with Downtown Scottsdale</i> | Councilwoman Kathy Littlefield | Councilmember Paul Russell |
| Camille Hill <i>Merestone</i> | Scott Eubanks <i>Gallery Russia</i> | Councilwoman Linda Milhaven | Secretary Selena Castaneda |
| Robb McCreary <i>Talking Stick Resort</i> | Richard Hayslip <i>Scottsdale Arts, Trustee</i> | Councilman Guy Phillips | Treasurer Pamela Mott |
| Steve Geigamah <i>City of Scottsdale (staff liaison)</i> | Allan Henderson <i>Best Western Plus Sundial</i> | Councilman David N. Smith | General Manager Philip Dorchester |
| | Taryl O'Shea <i>Arabian Horse Association of Arizona</i> | City Manager Jim Thompson | |
| | Susan Potje <i>Celebration of Fine Art</i> | TOWN OF PARADISE VALLEY | SALT RIVER PIMA-MARICOPA INDIAN COMMUNITY |
| | Sandra Schenkert <i>Scottsdale resident</i> | Mayor Michael Collins | President Delbert Ray |
| | Fred Unger <i>Spring Creek Development</i> | Vice Mayor Jerald Bien-Willner | Vice President Martin Harvier |
| | Karen Churchard <i>City of Scottsdale (staff liaison)</i> | Councilman Paul Dembow | Councilmember David Antone |
| | | Councilman Scott Moore | Councilmember Michael Dallas |
| | | Councilwoman Julie Pace | Councilmember Jenelle Howard |
| | | Councilman David Sherf | Councilmember Archie Kashoya |
| | | Councilman Mark Stanton | Councilmember Thomas Largo |
| | | Town Manager Kevin Burke | Councilmember Ricardo Leonard |
| | | | Councilmember Deanna Scabby |





Media Schedule 2017-18

Note: Final decisions will be made based on budget and space availability.

JULY 2017

- Arizona Republic (Scottsdale section)
- Facebook.com
- Pay Per Click – general, golf, events, geo-targeted, etc.
- YouTube.com

AUGUST 2017

- Arizona Republic (Scottsdale section)
- Facebook.com
- Pay Per Click – general, golf, events, geo-targeted, etc.
- YouTube.com

SEPTEMBER 2017

- Arizona Republic (Scottsdale section)
- Emiles.com
- Facebook.com
- Fortune
- Pay Per Click – general, golf, events, geo-targeted, etc.
- YouTube.com

OCTOBER 2017

- Arizona Republic (Scottsdale section)
- Facebook.com
- Meetings Net Webinar
- National Geographic Traveler – Oct/Nov
- Links Magazine
- Score Golf
- Pay Per Click – general, golf, events, geo-targeted, etc.
- YouTube.com

NOVEMBER 2017

- AFAR – Nov/Dec
- American Way
- Arizona Republic (Scottsdale section)
- Bon Appetit
- enRoute Air Canada
- Facebook.com
- Fast Company
- Golf Magazine
- Ignite Canada – Nov/Dec
- Los Angeles – Television

- Los Angeles – Santa Monica Place Takeover
- Los Angeles – Hollywood & Vine Boards
- Meetings & Conventions
- Meetings Net
- Pay Per Click – general, golf, events, geo-targeted, etc.
- Southwest The Magazine
- Sunset Magazine
- WestJet's Up!
- YouTube.com

DECEMBER 2017

- American Way
- Arizona Republic (Scottsdale section)
- Bon Appetit
- enRoute Air Canada
- Facebook.com
- Fortune
- National Geographic Traveler – Dec/Jan
- Pay Per Click – general, golf, events, geo-targeted, etc.
- Southwest The Magazine
- Sunset Magazine
- WestJet's Up!
- YouTube.com

JANUARY 2018

- AFAR – Jan/Feb
- American Way
- AOT Visitor Guide
- Arizona Republic (Scottsdale section)
- Bon Appetit
- Canada – Vancouver Train Wraps
- enRoute Air Canada
- Facebook.com
- Fortune
- Golf Magazine
- Meetings & Conventions
- Pay Per Click – general, golf, events, geo-targeted, etc.
- Southwest The Magazine
- Sunset Magazine
- WestJet's Up!
- YouTube.com

FEBRUARY 2018

- Arizona Republic (Scottsdale section)
- Bon Appetit
- Canada – Television
- Canada – Toronto Union Station Saturation
- Canada – Vancouver Train Wraps
- Chicago – Ogilvy Station Saturation
- Chicago – Jackson Tunnel Wrap
- Chicago – Television
- Chicago – Train Wrap
- Facebook.com
- Fast Company

- Golf Magazine
- Ignite Canada – Feb/March
- Links Magazine
- Meetings & Conventions
- National Geographic Traveler – Feb/March
- New York – Penn Plaza Saturation
- New York – Penn Plaza Digital Boards
- New York – Penn Station Saturation
- New York – Television
- Pay Per Click – general, golf, events, geo-targeted, etc.
- WestJet's Up!
- YouTube.com

MARCH 2018

- Arizona Republic (Scottsdale section)
- Canada – Vancouver Train Wraps
- Facebook.com
- Pay Per Click – general, golf, events, geo-targeted, etc.
- YouTube.com

APRIL 2018

- Arizona Republic (Scottsdale section)
- Facebook.com
- Pay Per Click – general, golf, events, geo-targeted, etc.
- Score Golf
- YouTube.com

MAY 2018

- Arizona Republic (Scottsdale section)
- Facebook.com
- Pay Per Click – general, golf, events, geo-targeted, etc.
- Phoenix – Summer Billboards
- YouTube.com

JUNE 2018

- Arizona Republic (Scottsdale section)
- Facebook.com
- Pay Per Click – general, golf, events, geo-targeted, etc.
- YouTube.com



Communications Program of Work 2017-18
(*open to member participation)

JULY 2017

***Arizona Governor's Conference on Tourism – July 19-21**

The annual Arizona Governor's Conference on Tourism provides the state's tourism stakeholders the opportunity to network with peers, learn from expert panelists, draw inspiration from keynote speaker, and celebrate our industry's accomplishments

- Participation Cost: varies. Visit azqcot.com
- Location: JW Marriott Phoenix Desert Ridge Resort & Spa, Phoenix, Arizona

AUGUST 2017

Troon Challenge National Finals – TBD

Experience Scottsdale will partner with Troon Golf to host the estimated 100 regional qualifiers from around the United States to the National Finals at Troon North's two courses. Experience Scottsdale will host a foursome of media at Scottsdale-area properties

- Participation Cost: N/A
- Estimated Media Attendance/Interaction: 4 writers
- Location: Scottsdale, Ariz.
- Experience Scottsdale contact: Jen Duffy at jduffy@experiencescottsdaleb.com or 480-889-2716

***Denver Media/Client Event – Aug. 16**

Experience Scottsdale's communications, marketing, tourism and convention sales departments will partner to host an event for Denver-area media, meeting planners and travel professionals at a Colorado Rockies game. This event will give participating members the chance to present their company's information to media and clients in this key feeder market. While Denver is a small media market, it ranks fifth for domestic feeder cities to Scottsdale and is particularly important in luring these visitors during Scottsdale's peak season. Increased direct flights from Denver to Phoenix, Colorado Rockies spring training at the Salt River Fields at Talking Stick, and Experience Scottsdale's targeted marketing in the region have led to a steady increase in Denver-area visitation to Scottsdale.

- Participation Cost: \$850 (plus travel expenses)
- Estimated Media Attendance/Interaction: 15 journalists
- Location: Denver, Colo.
- Experience Scottsdale contact: Jen Duffy at jduffy@experiencescottsdaleb.com or 480-889-2716

SEPTEMBER 2017

***San Francisco Media/Client Event & Mission –Sept. 11-13**

Experience Scottsdale's communications, marketing, tourism and convention sales departments will partner to host an event for Bay-area media, meeting planners and travel professionals at a San Francisco Giants game. The event will give participating members the chance to present their company's information to media and clients in this key feeder market. San Francisco ranks fourth for visitation to Scottsdale with very high spend. The Giants' 2010, 2012 and 2014 World Championships have continued to contribute strong visitation to Scottsdale.

- Participation Cost: \$850 (plus travel expenses) for the game and \$450 for outside appointments – space is limited
- Estimated Media Attendance/Interaction: 30 San Francisco-area journalists
- Location: San Francisco, Calif.
- Experience Scottsdale contact: Jen Duffy at jduffy@experiencescottsdaleb.com or 480-889-2716

***Scottsdale Sonoran Meetings FAM – Sept. 24-27**

The communications team will work with the convention sales team to host 2-3 meetings journalists as part of this meeting planner familiarization tour. This FAM trip gives media the opportunity to discover Scottsdale's meeting venues and amenities as well as to interact with their readers – the meeting planners.

- Participation Cost: Donated services
- Estimated Media Attendance/Interaction: 2-3 journalists covering the meetings market
- Location: Fairmont Scottsdale Princess, Scottsdale, Ariz.
- Experience Scottsdale contact: Jen Duffy at jduffy@experiencescottsdaleb.com or 480-889-2716

OCTOBER 2016

* Vancouver Media Event – Oct. 23-27

The communications and tourism teams will partner to host an event for key travel and lifestyle journalists and a handful of top tour operators. This event will give participants the chance to interact with key journalists in this market to keep Scottsdale top-of-mind.

- Participation Cost: \$1,100
- Estimated Media Attendance/Interaction: approximately 40
- Location: Vancouver, British Columbia, Canada
- Experience Scottsdale contact: Laura McMurchie at lmcmurchie@experiencescottsdale.com or 480-429-2253

NOVEMBER 2017

New York Media Mission – Nov. 6-10

Experience Scottsdale will conduct media appointments with key editors and freelance writers to pitch Scottsdale story ideas and keep the destination top-of-mind with travel, culinary and lifestyle journalists. Working with The Brandman Agency, Experience Scottsdale will foster existing media relationships as well as tap into new contacts. The mission will also include a happy hour with editors who plan to attend the Travel Classics West conference. New York is the media hub of the U.S. and Scottsdale's top revenue generating market.

- Participation Cost: N/A
- Estimated Media Attendance/Interaction: 50 New York-area journalists
- Location: New York, NY
- Experience Scottsdale contact: Laura McMurchie at lmcmurchie@experiencescottsdale.com or 480-429-2253

Montreal Media Mission – Nov. 6-10

To support and publicize Air Canada's new non-stop, seasonal service between Montreal and Phoenix Sky Harbor, Experience Scottsdale will conduct media appointments with key editors and freelance writers in the Montreal market. Working with our Canadian PR representative, Experience Scottsdale will foster existing media relationships as well as tap into new contacts.

- Participation Cost: N/A
- Estimated Media Attendance/Interaction: 15 Montreal-area journalists
- Location: Montreal, Quebec, Canada
- Experience Scottsdale contact: Laura McMurchie at lmcmurchie@experiencescottsdale.com or 480-429-2253

*Travel Classics West Pre-Conference Press Trip – Nov. 13-16

*Travel Classics West – Nov. 16-19

Experience Scottsdale, the original host of the West coast swing of Travel Classics, will once again sponsor this prominent travel writer conference that brings together approximately 15 editors and 35 freelance writers. Sponsors have the opportunity to host on- and off-site events that will allow them to gain exposure to key journalists.

- Participation Cost: Varies per sponsorship; participation limited to event sponsors. Visit www.travelclassics.com/conferences for information.
- Estimated Media Attendance/Interaction: 15-18 top editors and 35-40 freelance writers
- Location: Tucson, Ariz.
- Experience Scottsdale contact: Laura McMurchie at lmcmurchie@experiencescottsdale.com or 480-429-2253

*Mexico Media FAM – Nov. 27 – Dec. 2 (Scottsdale: Nov. 29, 30)

To support and publicize expanded lift to Phoenix Sky Harbor through AeroMexico, Scottsdale, Phoenix and Tempe will partner to host up to six journalists from Mexico City and Guadalajara. Mexico ranks as one of Arizona's top international markets.

- Participation Cost: In-kind
- Estimated Media Attendance/Interaction: 4-6
- Location: Scottsdale, Phoenix and Tempe, Ariz.
- Experience Scottsdale contact: Laura McMurchie at lmcmurchie@experiencescottsdale.com or 480-429-2253

***Chicago Media/Client Event – TBD**

Experience Scottsdale's communications, marketing, tourism and convention sales departments will partner to host Chicago-area media, meeting planners and travel professionals to a Blackhawks game in a luxury suite. This event will give participating members the chance to present their company's information to media and clients in this key feeder market. Chicago is an important market for Scottsdale particularly in our peak season when rates are at a premium. Chicago ranks second in both visitation and revenue for Scottsdale, just behind New York City.

- Participation Cost: \$850 (plus travel expenses) – space is limited
- Estimated Media Attendance/Interaction: 20 Chicago-area journalists
- Location: Chicago, Ill.
- Experience Scottsdale contact: Jen Duffy at jduffy@experiencescottsdaleb.com or 480-889-2716

DECEMBER 2017

***US/Canada Media FAM -- TBD**

*** European Golf & Travel Media Association Media FAM – TBD**

- Participation Cost: Donated services
- Estimated Media Attendance/Interaction: 4 golf journalists
- Location: Scottsdale, Ariz.
- Experience Scottsdale contact: Laura McMurchie at lmcmurchie@experiencescottsdale.com or 480-429-2253

Chicago Media (Visit Phoenix) – Winter 2017

Experience Scottsdale will join the Greater Phoenix CVB in hosting an event for approximately 40 Chicago-area journalists. Chicago is an important market for Scottsdale particularly during peak season when rates are at a premium. Chicago ranks second in both visitation and revenue for Scottsdale, just behind New York City.

- Participation Cost: TBD
- Estimated Media Attendance/Interaction: 40
- Location: Chicago, Ill.
- Experience Scottsdale contact: Jen Duffy at jduffy@experiencescottsdaleb.com or 480-889-2716

JANUARY 2018

***Scottsdale Open Media FAM – TBD**

Experience Scottsdale will once again sponsor the Scottsdale Open, the precursor to the PGA's Waste Management Phoenix Open. Experience Scottsdale will host four golf journalists to a sampling of resorts, activities and courses including the legendary Grayhawk, Troon and TPC Scottsdale.

- Participation Cost: Donated services
- Estimated Media Attendance/Interaction: 4 North American journalists
- Location: Scottsdale, Ariz.
- Experience Scottsdale contact: Jen Duffy at jduffy@experiencescottsdaleb.com or 480-889-2716

***TravMedia International Media Marketplace – TBD – The Brandman Agency to represent Scottsdale**

- Location: New York, NY
- Experience Scottsdale contact: Laura McMurchie at lmcmurchie@ExperienceScottsdale.com or 480-429-2253

FEBRUARY 2018

***International Media FAM**

AOT Toronto/New York Media Events -- Feb. 5-9

AOT Mexico Media/Trade Mission – Feb. 19-23

Experience Scottsdale will join the Arizona Office of Tourism and statewide DMOs for media/sales events in Mexico City and Guadalajara, Mexico. Visitors from Mexico and Canada still remain Scottsdale's top international markets and travelers from Mexico City have a high propensity to seek out luxury resorts, spa, golf and dining. In addition, they travel over peak holiday periods that result on high revenue visit.

- Participation Cost: varied. Participation is open to CVBs, Chambers and DMOs, and will be limited.
- Estimated Media Attendance/Interaction: 50 key journalists
- Location: Mexico City and Guadalajara, Mexico
- Experience Scottsdale contact: Laura McMurchie at lmcmurchie@experiencescottsdale.com or 480-429-2253

MARCH 2018

ITB Trade Show – TBD– Kaus Media Services will represent Scottsdale

Experience Scottsdale will attend the International Tourismus Borse (ITB), an annual trade show that involves more than 50,000 tourism professionals from around the world, including travel agents, tour operators and media. Pre-scheduled appointments are arranged through Arizona's German representative. North America is the primary markets for visitation to Arizona; however the long-haul markets listed above are important visitors in key periods such as spring, holidays and summer. In addition, overseas visitors tend to stay longer and spend more money than North American visitors.

- Participation Cost: vary
- Estimated Media Attendance/Interaction: 20-30 German journalists
- Location: Berlin, Germany
- Experience Scottsdale contact: Jen Duffy at jduffy@experiencescottsdaleb.com or 480-889-2716

APRIL 2018

***US/Canada Blogger/Social Influencer FAM**

Los Angeles Media Mission – April 2018

Experience Scottsdale will meet with key editors and freelance writers in this important market in a series of small events and editorial meetings. Meetings and events with key editors and freelance writers will allow members to pitch Scottsdale story ideas and keep the destination top-of-mind with travel, culinary and lifestyle journalists. Los Angeles is Scottsdale's No. 3 feeder market, which makes it one of Scottsdale's most important short-haul markets and one of the most important media markets behind New York City and Chicago. In addition, Los Angeles continues to be an important summer market for Scottsdale.

- Participation Cost: N/A
- Estimated Media Attendance/Interaction: 40 travel and lifestyle L.A. journalists
- Location: Los Angeles, Calif.
- Experience Scottsdale contact: Jen Duffy at jduffy@experiencescottsdaleb.com or 480-889-2716

MAY 2018

***Spring Meeting Planner FAM – TBD**

The communications team will work with the convention sales team to host 2-4 meetings journalists as part of this meeting planner familiarization tour. This FAM trip gives media the opportunity to discover Scottsdale's meeting venues and amenities as well as to interact with their readers, the meeting planners.

- Participation Cost: Donated services
- Estimated Media Attendance/Interaction: 2-4 journalists covering the meetings market
- Location: Scottsdale, Ariz.
- Experience Scottsdale contact: Jen Duffy at jduffy@experiencescottsdaleb.com or 480-889-2716

***Travel Classics International – TBD**

Travel Classics International is a premier travel writer conference that allows freelance travel writers the opportunity to meet with the industry's top editors. There is a low writer-to-editor ratio and pre-scheduled appointments, which gives the writers ample opportunities to have one-on-one time with the editors. This conference attracts top-notch editors from publications such as *Sunset Magazine*, *National Geographic Adventure*, *Self*, *Robb Report*, *AARP Magazine*, *Men's Journal*, *Golf for Women*, *Saveur* and more. AOT is a sponsor/co-host of Travel Classics West and traditionally attends Travel Classics International.

- Participation Cost: Sponsorships vary
- Estimated Media Attendance/Interaction: Approximately 15 editors and 35 freelance writers
- Location: Montreal, Quebec, Canada
- Experience Scottsdale contact: Laura McMurchie at lmcmurchie@experiencescottsdale.com or 480-429-2253

AOT German Media Mission – TBD

- Participation Cost: N/A. Participation is open to Arizona Chambers and DMOs, and will be limited.
- Estimated Media Attendance/Interaction: Experience Scottsdale will meet with approximately 40 journalists
- Location: TBD
- Experience Scottsdale contact: Laura McMurchie at lmcmurchie@experiencescottsdale.com or 480-429-2253

***IPW Denver, Colorado – May 19-23**

IPW is the largest and most important international trade show held in the United States. Experience Scottsdale will have appointments with top international and domestic media and tour operators from Asia, Australia, Canada, Germany, Latin

America, Mexico and United Kingdom. Experience Scottsdale members have the opportunity to participate in the bureau's booth for \$2,900 or PR representatives can choose to participate in the one-day media marketplace for \$750.

- Participation Cost: \$750-\$2,900 (plus travel expenses) – space is limited
- Estimated Media Attendance/Interaction: More than 400 domestic and international journalists attend
- Location: Denver, Colo.
- Experience Scottsdale contact: Laura McMurchie at lmcmurchie@experiencescottsdale.com or 480-429-2253 or Jen Duffy at jduffy@experiencescottsdaleb.com or 480-889-2716

JUNE 2018

***Public Relations Society of America Travel & Tourism Conference – TBD**

This annual conference offers communications professionals in the travel and tourism arena the opportunity to learn about industry trends, technology and best practices from their peers as well as top travel media.

- Participation Cost: Approximately \$730-\$930 for registration (plus travel). Visit www.prsa.org/Conferences/TravelTourism/ for information.
- Location: TBD
- Experience Scottsdale contact: Jen Duffy at jduffy@experiencescottsdaleb.com or 480-889-2716

ON THE HORIZON

Member Opportunities

- *Calgary Stampede Media/Client Event & Mission – July 2018
- *San Francisco Media/Client Event & Mission – Sept. 2018
- *Toronto Media + Trade Event – Oct. 2018
- *Chicago Media/Client Event & Mission – Fall/Winter 2018
- *Travel Classics West, Scottsdale – Nov. 2018
- *Travel Classics West pre/post-conference press visits – Nov. 2018
- *Canada Press Trip – Q4 2018

EXPERIENCE SCOTTSDALE- Only Programs

UK Mission/Visit USA Ball – July 2018
AOT Toronto – TBD

NOTE: This is a fluid document and Experience Scottsdale maintains the right to cancel or reschedule programs at any time.



Convention Sales Program of Work 2017-2018

*Programs, dates and participation fees are subject to change

*Programs listed with a participation fee are open to member participation

| | 2017 | | | | | | 2018 | | | | | |
|---|---|--|--|---|--|--|---|---|---|---|---|---|
| | JULY | AUGUST | SEPTEMBER | OCTOBER | NOVEMBER | DECEMBER | JANUARY | FEBRUARY | MARCH | APRIL | MAY | JUNE |
| Trade Shows | Experient 64 Houston, TX July 30- Aug 2 | ASAE Annual Meeting & Expo Toronto, Aug. 13-15 Participation Full | SITE Texas Roadshow | IMEX Las Vegas Oct. 10-12 Participation Full | FICP Annual Meeting San Diego Nov. 12-15 | Holiday Showcase Chicago Dec. 14 Participation Full | FICP Winter Symposium | World Congress Medical Meetings Summit Participation Fee \$1500 | Destination Showcase D.C. Participation Fee \$1,500 | Helmets & Biscuits ABC Orlando, FL | Experient Design Project (XDP) Participation Fee \$1,500 | MPI-WEC Participation Fee \$1,500 *plus badge fee paid directly to MPI |
| | | Incentive Works Toronto, ON Aug. 22-24 Participation Full | | M&C Destination Atlanta Oct. 29-31 | HPN Partner Conference San Francisco Nov. 28-Dec. 1 | Elite Meetings Alliance Orlando | FCMA Convening Leaders Nashville Jan. 7-10 | | EnVision Experient Annual Conference Detroit, MI March 13-18 | Connect Rocky Mountain | Conference Direct APM | FCMA Education Conference |
| | | FICP Summer Symposium Toronto | | Connect Ohio | Conference Direct Forum Kissimmee, FL Nov. 14-17 | SITE SoCal Holiday Event | | | MIC of Colorado Denver Participation Fee \$1,100 | NASC Sports Symposium | | |
| | | Connect Marketplace New Orleans Aug. 21-23 Participation Full | | | INTER (action) AmEx Supplier Showcase Orlando, FL Nov. 28-Dec. 1 Participation Fee \$1,500 *plus badge fee paid directly to American Express | 2018 World Congress Chicago | | | MPI Northern California Annual Conference Participation Fee \$1,500 | | | |
| | | SITE Minnesota Education Event Aug. 1 | | | | Connect D.C. | | | Meeting Site Resource Annual Mtg | | | |
| | | MPI Educator | | | | | | | Pharma Forum | | | |
| FAMs | | | 3rd Annual Sonoran FAM Sept. 24-27 Sponsorships Available | | 7th Annual Canadian FAM Nov. 19-22 Sponsorships Available | | Scottsdale Fiesta Bowl Sports FAM Sponsorships Available | | | | 31st Annual Sunational FAM Sponsorships Available | 6th Annual Medical Meetings FAM Sponsorships Available |
| Sales Missions Sales Calls Client Events | Orange County & San Diego Spe Events July 25-27 | St. Paul Sales Calls Aug. 2-3 | San Francisco Grants All-Dept Event San Francisco Sept. 11 Participation Full | Ohio Sales Calls | Chicago Sales Mission Participation Fee \$1,500 | Long Island, NYC & Stanford Sales Calls | Dallas & Austin Sales Mission & Dallas Client Event Participation Fee \$1,500 | Minneapolis & St. Paul Sales Mission & Client Event Participation Fee \$1,500 | Washington D.C. Client Event Participation Fee \$1,500 | Seattle & Portland Sales Mission Participation Fee \$1,500 | Boston & Connecticut Sales Mission & Boston Client Event Participation Fee \$1,500 | |
| | Mid-Atlantic Sales Mission Participation Fee \$1,500 | Denver Sales Mission Participation Full | | | Chicago Blackhawks All-Dept Event Participation Fee \$1,500 | Milwaukee Sales Calls | | Atlanta Sales Calls | | Toronto Sales Mission & Client Event Participation Fee \$1,200 | Raleigh & Nashville Sales Calls | |
| | Tucson Sales Calls | Colorado Rockies All-Dept Event Aug. 18 Participation Full | | | Local Client Event Participation Fee \$1,500 | Mid-Atlantic Sales Calls | | | | Kansas City & Missouri Sales Calls | | |
| | | | | | Philadelphia, NYC & South Jersey Sales Mission & Philadelphia Client Event Participation Fee \$1,200 | | | | | Local Travel Trade & Meetings Tradeshow Exhibition Booth \$1,200-1,500 | | |
| | | | | | | | | | | | | |

updated 5/10/2017



Tourism Program of Work 2017-2018

JULY 2017

Arizona Governor's Conference on Tourism – July 19-21, 2017

This conference provides a forum for professionals from destination marketing organizations, tour operators, attractions, airlines, accommodations and other hospitality related organizations to come together to discuss marketing strategies, partnership opportunities, and critical issues facing the Arizona tourism industry.

- Participation Cost: \$325 (To register, visit www.aztourismconference.com)
- Location: JW Marriott Phoenix Desert Ridge Resort & Spa
- Contact: Sarah Kearney at skearney@experiencescottsdale.com or 480-889-2705

AUGUST 2017

Los Angeles/Las Vegas Receptive Sales Mission – August 2017

The Experience Scottsdale tourism team will conduct sales calls to receptive tour operators in Los Angeles and Las Vegas. These high-volume clients are responsible for sending thousands of visitors to Scottsdale from all international markets.

- Participation Cost: Brochure Distribution Only \$100
- Location: Los Angeles, Calif. and Las Vegas, Nev.
- Contact: Sarah Kearney at skearney@experiencescottsdale.com or 480-889-2705

Denver Sales Mission & Client Event – Aug. 14-18, 2017

Experience Scottsdale will travel to Denver for a sales mission and to host clients at a Colorado Rockies game. This event will give participating members the chance to present their company information to travel agents in this important feeder market.

- Participation Cost: \$850 (plus travel expenses) – space is limited
- Location: Denver, Colo.
- Contact: Nicole Krekeler at nkrekeler@experiencescottsdale.com or 480-949-2161

SEPTEMBER 2017

San Francisco Travel Agent Sales Mission & Client Event – Sept. 11-15, 2017

Experience Scottsdale will travel to San Francisco to conduct sales calls and host clients for a San Francisco Giants game on Fan Appreciation Day at AT&T Ballpark. This mission will give participating members the chance to present their company information to travel agents in this important feeder market.

- Participation Cost: \$850 (plus travel expenses) / \$150 brochure distribution only
- Location: San Francisco, Calif.
- Contact: Nicole Krekeler at nkrekeler@experiencescottsdale.com or 480-949-2161

Delta Vacations University Trade Show – Sept. 15-17, 2017

Each year more than 2,000 travel agents from cities around the U.S. and Canada are educated on products offered by Delta Vacations, including Delta Vacations® and their partners; Aeromexico, Air France, Alitalia, KLM and Virgin Atlantic. Delta Vacations University formerly MLT Vacations was established in 1994 to educate travel professionals and has become the nation's premier travel industry educational seminar series and tradeshow, providing travel agents with a wealth of knowledge and insight to MLT's product lines.

- Participation Cost: \$200 brochure distribution for Delta Vacations hotels only
- Location: Atlanta, Georgia
- Contact: Nicole Krekeler at nkrekeler@experiencescottsdale.com or 480-949-2161

Western Canada Sales Mission – Sept. 25-28, 2017

Experience Scottsdale will travel to Vancouver and Edmonton to conduct sales calls and host an upscale client event for top travel agents in both cities. This mission will give participating members the chance to present their company's information to travel agents in these important feeder markets.

- Participation Cost: \$650 (plus travel expenses) / \$200 brochure distribution only – space is limited
- Location: Vancouver, BC and Edmonton, Alberta, Canada
- Contact: Nicole Krekeler at nkrekeler@experiencescottsdale.com or 480-949-2161

United Kingdom Sales Mission – Sept. 11-15, 2017

Experience Scottsdale will conduct tour operator sales calls and destination product trainings in the U.K. Members are invited to join in this sales mission and meet face-to-face with key accounts in the U.K.

- Participation Cost: \$1,000 (plus travel expenses) / \$200 brochure distribution only
- Location: London, England and surrounding areas
- Contact: Sarah Kearney at skearney@experiencescottsdale.com or 480-889-2705

Eastern U.S. & Canada Fall Package Promotion – September 2017

Experience Scottsdale will send an e-blast and mailing to travel agents in key Eastern U.S. and Canada feeder markets such as New York, Connecticut, New Jersey, Boston, Toronto and Montreal. The e-blast and mailing are wonderful ways to promote your shoulder season vacation packages.

- Participation Cost: \$50
- Contact: Nicole Krekeler at nkrekeler@experiencescottsdale.com or 480-949-2161

OCTOBER 2017

American Cup Golf Invitational – Oct. 1-6, 2017

Experience Scottsdale will participate with other destination sponsors at the 3rd annual American Cup Golf Invitational (ACGI). The ACGI is an invitation-only industry event involving a Ryder Cup style competition. Senior travel industry representatives from tour companies, airlines, travel agencies and other selected influential travel industry organizations from around the world compete.

- Participation Cost: \$3,000
- Location: Bloomington, Minn.
- Contact: Sarah Kearney at skearney@experiencescottsdale.com or 480-889-2705

NBAA Annual Conference – Oct. 10-12, 2017

Experience Scottsdale teams up with Scottsdale Airport to promote the destination for corporate and leisure travel. NBAA is a diverse group of entrepreneurs and organizations located around the United States and makes up the majority of America's business aviation fleet. Scottsdale will host a 40'x40' booth with a Barrett-Jackson Collector Car Auction as the centerpiece.

- Participation Cost: \$200 brochure distribution only
- Location: Las Vegas, Nev.
- Contact: Deanne Boynton Grupp at dboyntongrupp@experiencescottsdale.com or 480-949-6285

Showcase Arizona in Mexico – October 2017

Showcase Arizona promotes fall and holiday shopping, family activities and accommodations to an important drive market. The main event is a consumer show for 800 local society women and includes a travel exhibit and fashion show. Local travel agents will also be invited to attend the event.

- Participation Cost: \$900-\$2,500 per AOT (plus travel expenses) / \$200 brochure distribution only
- Location: Hermosillo, Mexico
- Contact: Sarah Kearney at skearney@experiencescottsdale.com or 480-889-2705

New York Travel Agent Sales Mission – Oct. 23-27, 2017

Experience Scottsdale will travel to New York to conduct sales calls and host a unique client event for travel agents. This mission will give participating members the chance to present their company information to travel agents in this important feeder market.

- Participation Cost: \$650 (plus travel expenses) / \$150 brochure distribution only
- Location: New York, NY
- Contact: Nicole Krekeler at nkrekeler@experiencescottsdale.com or 480-949-2161

New York Receptive Tour Operator Sales Calls – October 2017

Experience Scottsdale will conduct sales calls to receptive tour operators in New York City who are responsible for sending international meeting and incentive programs to Scottsdale from countries such as the United Kingdom, Germany, Austria, Switzerland, France, Netherlands, Italy, South American, and the Scandinavian countries.

- Location: New York, NY
- Contact: Deanne Boynton Grupp at dboyntongrupp@experiencescottsdale.com or 480-949-6285

NOVEMBER 2017

Chicago Travel Agent Sales Mission – November 2017

Experience Scottsdale will travel to Chicago to conduct sales calls and host a dinner for top travel agents in Chicago. This mission will give participating members the chance to present their company information to travel agents in this important feeder market.

- Participation Cost: \$TBD (plus travel expenses) / \$150 brochure distribution only
- Location: Chicago, Ill.
- Contact: Nicole Krekeler at nkrekeler@experiencescottsdale.com or 480-949-2161

Eastern Canada Sales Mission – November 2017

Experience Scottsdale will travel to Eastern Canada to conduct sales calls and host a client dinner for top travel agents in Toronto. This mission will give participating members the chance to present their company information to travel agents in this important feeder market.

- Participation Cost: \$650 (plus travel expenses)/ \$200 brochure distribution only – space is limited
- Location: Toronto, Ontario, Canada
- Contact: Nicole Krekeler at nkrekeler@experiencescottsdale.com or 480-949-2161

World Travel Market (WTM) – Nov. 6-9, 2017

WTM is a dedicated business-to-business forum with more than 40,000 industry professionals from 150 countries in attendance. Pre-scheduled appointments with U.K. tour operators are arranged. This year the booth costs will be split by all participating DMOs and members.

- Participation Cost: \$2,500
- Location: London, England
- Contact: Sarah Kearney at skearney@experiencescottsdale.com or 480-889-2705

IBTM Trade Show – Nov. 28-30, 2017

IBTM is a meetings and incentive show with a visitor audience of 6,000 visitors, hosted buyers and press from 78 countries. The three-day show consists of one-on-one meetings with professionals responsible for planning international meetings, conferences, incentive travel and events. Experience Scottsdale will share a booth with the Visit Tucson and invites members to attend.

- Participation Cost: \$1,500 (plus travel expenses) / \$200 brochure distribution only
- Location: Barcelona, Spain
- Contact: Deanne Boynton Grupp at dboyntongrupp@experiencescottsdale.com or 480-949-6285

DECEMBER 2017

National Tour Association (NTA) – Dec. 14-18, 2017

The NTA Trade Show is the largest pre-scheduled appointment tradeshow with tour operators from the United States and Canada. Individual suppliers and DMOs conduct 35-50 appointments during the trade show.

- Participation Cost: \$1,300 (plus travel expenses) – open to NTA members only
- Location: San Antonio, Texas
- Contact: Nicole Krekeler at nkrekeler@experiencescottsdale.com or 480-949-2161

JANUARY 2018

Go West Summit – Jan. 16-19, 2018

Go West Summit provides a unique business setting structured specifically to give Western U.S. suppliers the chance to promote their product to tour operators from around the world and receptive operators from the United States. This show consists of two days of one-on-one appointments, tourism industry seminars and evening events.

- Participation Cost: \$2,495 (register online www.GoWestSummit.com)
- Location: TBD
- Contact: Sarah Kearney at skearney@experiencescottsdale.com or 480-889-2705

Spring Training Package Promotion – January 2018

Experience Scottsdale will send an e-blast and mailing to travel agents in key spring training feeder markets such as San Francisco, Denver, Chicago and Los Angeles. The e-blast and mailing are wonderful ways to promote spring training packages.

- Participation Cost: \$50
- Contact: Nicole Krekeler at nkrekeler@experiencescottsdale.com or 480-949-2161

FEBRUARY 2018

Dallas Sales Mission – January or February 2018

Experience Scottsdale will travel to Dallas for a sales mission. This event will give participating members the chance to present their company information to travel agents in this important feeder market.

- Participation Cost: \$500 (plus travel expenses) – \$150 brochure distribution only
- Location: Dallas, Texas
- Contact: Nicole Krekeler at nkrekeler@experiencescottsdale.com or 480-949-2161

MARCH 2018

International Tourismus Borse (ITB) Trade Show – March 7-11, 2018

ITB is an annual trade show that involves more than 50,000 tourism professionals from around the world, including travel agents, tour operators and media. Pre-scheduled appointments are arranged through Arizona's German representative. This year the booth costs will be split by all participating DMOs and members.

- Participation Cost: \$2,500 (plus travel expenses) – space is limited
- Location: Berlin, Germany
- Contact: Sarah Kearney at skearney@experiencescottsdale.com or 480-889-2705

AOT Mexico Sales Mission – March 2018

Experience Scottsdale will join the Arizona Office of Tourism and statewide DMOs for a sales mission to Mexico City and Guadalajara, Mexico. This sales mission will consist of tour operator sales calls, a client event, and destination product trainings for travel agents and tour operators.

- Participation Cost: \$1,500 (plus travel expenses) / \$200 brochure distribution only – space is limited
- Location: Mexico City and Guadalajara, Mexico
- Contact: Sarah Kearney at skearney@experiencescottsdale.com or 480-889-2705

APRIL 2018

German Sales Mission – April 2018

Experience Scottsdale will conduct tour operator sales calls and destination product trainings in Germany. Members are invited to join Experience Scottsdale on this sales mission and meet face-to-face with key accounts in Germany.

- Participation Cost: \$1,000 (plus travel expenses) / \$200 brochure distribution only
- Location: Munich, Frankfurt, Hannover and Hamburg, Germany
- Contact: Sarah Kearney at skearney@experiencescottsdale.com or 480-889-2705

AAA Summer Package Promotion – April 2018

Experience Scottsdale will send an e-blast and mailing to AAA travel offices nationwide. The e-blast and mailing are excellent ways to promote your summer deals.

- Participation Cost: \$50
- Contact: Nicole Krekeler at nkrekeler@experiencescottsdale.com or 480-949-2161

Southern California Sales Mission – April 2018

Experience Scottsdale will travel to Los Angeles to conduct sales calls and host a high-end client event for 30-35 top travel agents. This mission will give participating members the chance to present their company information to travel agents in this important market.

- Participation Cost: \$650 (plus travel expenses) / \$150 brochure distribution only
- Location: Los Angeles, Calif.
- Contact: Nicole Krekeler at nkrekeler@experiencescottsdale.com or 480-949-2161

MAY 2018

U.S. Travel Association IPW Trade Show – May 19-23, 2018

IPW is the largest and most important international trade show held in the United States. Experience Scottsdale will have pre-scheduled appointments with top international and domestic tour operators from Asia, Australia, Canada, Germany, Latin America, Mexico and the United Kingdom. Experience Scottsdale will have a booth and invite members to participate.

- Participation Cost: \$3,000 (plus travel expenses) – space is limited
- Location: Denver, Colo.
- Contact: Sarah Kearney at skearney@experiencescottsdale.com or 480-889-2705

Scottsdale Local Travel Professional Event – May 2018

Experience Scottsdale will hold a local client tradeshow at a location to be determined. This trade show/agent training day is a great way to educate and refresh local Arizona agents on our Scottsdale hotel and attractions product.

- Participation Costs: \$75 local event (includes table for trade show) / \$50 brochure distribution only
- Location: Scottsdale, Ariz.
- Contact: Nicole Krekeler at nkrekeler@experiencescottsdale.com or 480-949-2161

JUNE 2018

IAGTO North America Convention – June 2018

International Association of Golf Tour Operators (IAGTO), North America Golf Tourism Convention is comprised of over 2,000 accredited golf tour operators, golf resorts, hotels, golf courses, receptive operators, airlines, tourist boards, approved media and business partners for over 94 countries. This show consists of one-on-one appointments, business sessions and evening events.

- Participation Cost: \$2,700 (register online www.iagto.com) / \$50 brochure distribution only
- Location: TBD
- Contact: Nicole Krekeler at nkrekeler@experiencescottsdale.com or 480-949-2161



2017-18 Performance Standards

Experience Scottsdale's vision is to position Scottsdale as a world-class vacation, meetings and group travel destination by communicating an image that sells the uniqueness of the Scottsdale experience. While Experience Scottsdale is a membership-based organization, our marketing and promotional efforts aim to provide our visitors with the most relevant destination-wide content in order to inspire them to consider Scottsdale.

Each year, Experience Scottsdale prepares a list of performance standards, which is our contractual guarantee to the City of Scottsdale. The performance standards are determined for the subsequent year by both Experience Scottsdale and the City's contract administrator based on multiple factors, including the organization's overall budget (including funding changes from all sources), our prior year performance, priority areas where funds will be deployed in the coming year, economic and business cycles, and the capacity of our staff and resources. We aim to exceed these measures each year by setting higher requirements for individual staff performance in order to provide the City with the greatest return on investment possible.

All performance standards are based on Experience Scottsdale's overall outcomes for the Scottsdale market area. The Scottsdale market area means all businesses located in Scottsdale and its surrounding areas that are part of Experience Scottsdale's membership, including members located in partner communities.

| Experience Scottsdale Budget | 2017-18 Budget | 2017-18 Change vs. 16-17 | 2016-17 Budget | | | 2015-16 Budget | |
|---|-------------------|---|-------------------|---|---------------------------------------|-------------------|-------------------|
| City of Scottsdale Funds <i>Does not include pass-through Fiesta Bowl funding</i> | \$9,820,579 | 2.4% | \$9,591,165 | | | \$9,090,525 | |
| | | | | | | | |
| Experience Scottsdale Performance Standards | 2017-18 Goals | 2017-18 Change vs. 16-17 Goals | 2016-17 Goals | 2016-17 Actual (9 months July-March) | 2016-17 % of Annual (9 mos.) | 2015-16 Goals | 2015-16 Actual |
| Convention Sales & Services | | | | | | | |
| Generate convention sales leads for Scottsdale market area properties | 1,404 | 4% | 1,356 | 1,205 | 89% | 1,296 | 1,511 |
| Conduct customer site inspections for Scottsdale market area properties | 192 | 0% | 192 | 164 | 85% | 180 | 237 |
| Confirm convention bookings into Scottsdale market area properties for future dates | 432 | 3% | 420 | 392 | 93% | 408 | 536 |
| Confirm convention bookings into Scottsdale market area properties for future dates resulting in room nights | 126,756 | 5% | 120,720 | 124,128 | 103% | 114,000 | 167,056 |
| Generate services leads and hotel leads for 10 rooms or fewer for Scottsdale market area properties/businesses | 288 | 4% | 276 | 246 | 89% | 264 | 303 |

| Experience Scottsdale Performance Standards | 2017-18 Goals | 2017-18 Change vs. 16-17 Goals | 2016-17 Goals | 2016-17 Actual (9 months July-March) | 2016-17 % of Annual (9 mos.) | 2015-16 Goals | 2015-16 Actual |
|---|------------------|---|------------------|---|---------------------------------------|------------------|-------------------|
| Tourism | | | | | | | |
| Generate domestic and international tour program leads and services for Scottsdale market area properties/businesses | 1,500 | 0% | 1,500 | 1,389 | 93% | 1,500 | 2,145 |
| Promote the Scottsdale market area as one of the world's top leisure destinations to targeted clients | 3,300 | 0% | 3,300 | 2,813 | 85% | 3,300 | 3,946 |
| Generate travel agent impressions via destination product offering in tour operator brochures | 3.0 million | 0% | 3.0 million | 3,042,000 | 101% | 2.9 million | 3.57 million |
| Communications | | | | | | | |
| Generate media hits about the Scottsdale market area | 1,000 | 0% | 1,000 | 732 | 73% | 1,000 | 1,204 |
| Marketing | | | | | | | |
| Generate brand engagements through visitor guide distribution, collateral downloads, email opens and social media followers | 650,000 | 51% | 430,000 | 796,109 | 185% | — | — |
| Generate visitor sessions to the Experience Scottsdale website and all affiliate sites | 1.75 million | 46% | 1.2 million | 1,552,738 | 129% | — | — |



2017-18 Performance Standards

Glossary of Terms, and Performance Standards & Budget Notes

All performance standards are based on Experience Scottsdale's overall outcomes for the Scottsdale market area. The Scottsdale market area means all businesses located in Scottsdale and its surrounding areas that are part of Experience Scottsdale's membership, including members located in partner communities.

Convention Sales & Services

Glossary of Terms

- **Generate convention sales leads for Scottsdale market area properties** – Experience Scottsdale customizes all meeting planners' requests for accommodations and meeting space. These leads are sent to Scottsdale market area properties that best meet the needs of the planner.
- **Conduct customer site inspections for Scottsdale market area properties** – Customer site inspections include meeting planner familiarization tours planned for several planners as well as individual site inspections whereby planners who are actively considering Scottsdale for future programs are able to experience the Scottsdale market area and Scottsdale market area properties first hand. Experience Scottsdale recommends properties to planners, but the properties ultimately visited are those approved by the planner.
- **Confirm convention bookings into Scottsdale market area properties for future dates** – Experience Scottsdale's convention sales team works with meeting planners and Scottsdale market area properties to secure future meetings. We influence bookings by serving up the best-quality clients and opportunities possible, uncovering new business for the destination, and building relationships with planners in order to gain their repeat business in the destination.
- **Confirm convention bookings into Scottsdale market area properties for future dates resulting in room nights** – Based on the number of bookings confirmed for Scottsdale market area properties due to Experience Scottsdale efforts, we track planned room nights at the time a booking is confirmed.
- **Generate services leads and hotel leads for 10 rooms or fewer for Scottsdale market area properties/businesses** – Experience Scottsdale customizes all meeting planners' requests for accommodations, meeting space and other types of services. By efficiently matching a planner's requests for destination management services, off-property venues, speakers, wholesale gifts and other types of services with member businesses, Experience Scottsdale streamlines the planning process and makes the planner's job easier.

Performance Standards & Budget Notes

We carefully consider our performance standards each year based on multiple factors, including the organization's overall budget (including funding changes from all sources), our prior year performance, priority areas where funds will be deployed in the coming year, economic and business cycles, and the capacity of our staff and resources. We aim to exceed our contractual guarantee to the City each year by setting higher requirements for individual staff performance in order to provide the City with the greatest return on investment possible.

In evaluating Convention Sales performance standards, we began by reviewing our current performance standards as well as our actual performance from the year prior. We also took into account all of the factors listed above, as well as changes in rooms booked associated with major events, like Final Four; the meeting cycles of key clients; and the capacity of our sales staff. In addition, we are monitoring the uncertainty that currently exists in the meetings industry and within Canada. Meetings outlooks show slowing growth, Canada's economy continues to struggle and the Canadian dollar remains weak against the U.S. dollar, and uncertainly remains about the potential impact of federal policies on immigration that have raised concerns about international travel. Furthermore, the current forecast for Scottsdale's tourism industry for 2017 is in line with the forecast for the U.S. hotel industry as a whole – negative occupancy growth with small average daily rate and revenue per available room growth.

The Convention Sales & Services budget will increase by 11.8% in 2017-18 to cover the costs of several multi-department events, as well as a new economic impact calculator for meetings and a new contract for additional outreach in Canada. Multi-department events have previously been paid for out of marketing's budget, but expenses for these events will now be paid for by the Convention Sales, Tourism and Communications departments. This increase accounts for the department's portion of the multi-department events. The economic impact calculator will allow Experience Scottsdale to determine the economic impact of meetings booked into the destination by our team. The new contract with a company in Canada will hopefully allow us to maintain our position in the market despite the weak Canadian economy. There also is considerable ramp up time and training for a new partner. We anticipate that if the first year goes well we can expect incremental business and leads in future years of this partnership.

Additionally the contract in Canada is hopefully going to help us maintain our position in the market. With the dollar weak we are working to overcome that obstacle with feet in the ground to help us be even more strategic and identify those companies and industries that are still meeting outside Canada.

Performance standards increases for leads and bookings are being recommended due to staff members hired last fiscal year that are much more established in their markets and therefore we anticipate seeing a greater return on their sales efforts in the coming year. We also anticipate growth in room nights due to a post-election rebound being seen in our Mid-Atlantic market. However, we are not recommending an increase in site inspections as we are not adding any new familiarization tours to our program of work or expanding our Site See Fly Free program that allows us to host additional planners for individual site inspections.

Tourism

Glossary of Terms

- **Generate domestic and international tour program leads and services for Scottsdale market area properties/businesses** – Experience Scottsdale customizes all tour program leads and services for accommodations, activities, transportation, destination materials and more. These leads are sent to Scottsdale market area properties and businesses that best meet the needs of the program. Tour program leads and services include requests from travel agents, tour operators, airline vacation divisions, receptive operators, wholesale operators, online travel agencies, etc.
- **Promote the Scottsdale market area as one of the world's top leisure destinations to targeted clients** – To quantify these promotions, Experience Scottsdale will include all face-to-face meetings with travel professionals at trade shows, sales missions, client events and educational seminars whereby the tourism team works to cultivate relationships with new clients and meet with long-term clients, educate travel professionals on the Scottsdale market area, and generate leads for Experience Scottsdale members.
- **Generate travel agent impressions via destination product offering in tour operator brochures** – During one-on-one client meetings, Experience Scottsdale reviews tour operator brochures, also known as travel catalogues, to ensure that Scottsdale market area hotels and resorts are properly featured within a Scottsdale-branded section, as well as the destination being prominently featured in the brochure and possibly even highlighted on the cover. Experience Scottsdale will report on the number of travel agents that receive domestic and international tour operator brochures where our team has influenced the product offering to include Scottsdale market area product.

Performance Standards & Budget Notes

We carefully consider our performance standards each year based on multiple factors, including the organization's overall budget (including funding changes from all sources), our prior year performance, priority areas where funds will be deployed in the coming year, economic and business cycles, and the capacity of our staff and resources. We aim to exceed our contractual guarantee to the City each year by setting higher requirements for individual staff performance in order to provide the City with the greatest return on investment possible.

In evaluating Tourism performance standards, we began by reviewing our current performance standards as well as our actual performance from the year prior. We also took into account all of the factors listed above, as well as the capacity of our tourism staff. We are unable to add new markets or shows without additional staff and money. Plus, based on the feedback of our partners and members, we have been encouraged to remain focused on our key markets versus moving resources to emerging markets. In addition, we are monitoring the uncertainty that currently exists in our key international markets, including Canada, which is one of our most important international markets for visitation. The continuing strength of the dollar against a weak global economy coupled with uncertainty about federal policies on immigration have raised concerns about international travel. Multiple sources have been reporting that interest in visiting the United States, including online searches for airline tickets and

hotels, started dropping after the election. The most significant losses are expected to come from Mexico, Europe and the Middle East, according to one source. Furthermore, the current forecast for Scottsdale's tourism industry for 2017 is in line with the forecast for the U.S. hotel industry as a whole – negative occupancy growth with small average daily rate and revenue per available room growth.

The Tourism budget will increase by 8.2% in 2017-18 to cover the costs of several multi-department events. Multi-department events have previously been paid for out of marketing's budget, but expenses for these events will now be paid for by the Convention Sales, Tourism and Communications departments. This increase accounts for the department's portion of the multi-department events.

We recommend performance standards remain flat; however, we are keeping an eye on the tour operator brochures as many tour operators are switching from distributing their brochures annually to every other year. Many operators in the United States and Canada also are shifting from printed brochures to offering their brochures online where it is more difficult to track distribution. This could impact our performance standard and may make this goal difficult to track in the future. While we have already accomplished our goal for 2016-17, most of the impressions come from brochures distributed in January and February; few additional brochure distributions are expected for the remainder of the year.

Communications

Glossary of Terms

- **Generate media hits about the Scottsdale market area** – Media hits can be any publication or medium (such as TV, radio, newspaper, magazine, website, blog, social media, etc.) whereby the Scottsdale market area or Scottsdale market area members of Experience Scottsdale are mentioned due to efforts of the Experience Scottsdale communications team (such as pitching, assistance with information or photos, hosting in the destination, etc.).

Performance Standards & Budget Notes

We carefully consider our performance standards each year based on multiple factors, including the organization's overall budget (including funding changes from all sources), our prior year performance, priority areas where funds will be deployed in the coming year, economic and business cycles, and the capacity of our staff and resources. We aim to exceed our contractual guarantee to the City each year by setting higher requirements for individual staff performance in order to provide the City with the greatest return on investment possible.

In evaluating Communications performance standards, we began by reviewing our current performance standards as well as our actual performance from the year prior. We also took into account all of the factors listed above, as well as the capacity of our communications staff. In addition, we are monitoring the uncertainty that currently exists in our key international markets, including Canada, which is one of our most important international markets for visitation. The continuing strength of the dollar against a weak global economy coupled with uncertainty about federal policies on immigration have raised concerns about international travel and are impacting media interest in covering U.S. destinations. Multiple sources have been reporting that interest in visiting the United States, including online searches for airline tickets and hotels, started dropping after the election. The most significant losses are

expected to come from Mexico, Europe and the Middle East, according to one source. Furthermore, the current forecast for Scottsdale's tourism industry for 2017 is in line with the forecast for the U.S. hotel industry as a whole – negative occupancy growth with small average daily rate and revenue per available room growth.

The Communications budget will decrease by 0.9% in 2017-18. The department has increased costs associated with several multi-department events. Multi-department events have previously been paid for out of marketing's budget, but expenses for these events will now be paid for by the Convention Sales, Tourism and Communications departments. However, the department also has cost savings as they will not be hosting the biennial Travel Classics West travel writer conference this year; it will return to Scottsdale in 2018-19.

We recommend performance standards remain flat. To better reflect the efforts of the communications team in generating media hits about the Scottsdale market area as a world-class travel and meetings destination, we will no longer include articles generated by the community and government affairs team in the performance standards. However, due to increased efforts with social media influencers and bloggers, we recommend that the number of media hits remain the same.

Marketing

Glossary of Terms

- **Generate brand engagements through visitor guide distribution, collateral downloads, email opens and social media followers** – To quantify brand engagements, Experience Scottsdale will include the total number of visitor guides distributed to new and repeat customers; all collateral downloads from our website (such as the visitor guide and other niche guides) to new and repeat customers; all emails opened by leisure visitors, travel professionals and meeting planners; video views on YouTube; and new social media followers, including to our Facebook, Twitter and Instagram accounts.
- **Generate visitor sessions to the Experience Scottsdale website and all affiliate sites** – A visitor session counts each time a person comes to ExperienceScottsdale.com or any other affiliate website of Experience Scottsdale.

Performance Standards & Budget Notes

We carefully consider our performance standards each year based on multiple factors, including the organization's overall budget (including funding changes from all sources), our prior year performance, priority areas where funds will be deployed in the coming year, economic and business cycles, and the capacity of our staff and resources. We aim to exceed our contractual guarantee to the City each year by setting higher requirements for individual staff performance in order to provide the City with the greatest return on investment possible.

In evaluating Marketing performance standards, we began by reviewing our current performance standards as well as our actual performance from the year prior. We also took into account all of the factors listed above, as well as monitoring the uncertainty that currently exists with Canada, which is

one of our most important international markets for visitation. Canada's economy continues to struggle, the Canadian dollar remains weak against the U.S. dollar, and uncertainly remains about the potential impact of federal policies on immigration that have raised concerns about international travel. Furthermore, the current forecast for Scottsdale's tourism industry for 2017 is in line with the forecast for the U.S. hotel industry as a whole – negative occupancy growth with small average daily rate and revenue per available room growth.

The Marketing budget will increase by 7.7% in 2017-18. Funds will be used to cover print, digital, TV and out-of-home marketing programs that provide a vibrant image of Scottsdale as a vacation destination, as well as some marketing to meeting planners. Our TV buys and high-impact programs, such as station dominations, will drive awareness in our key markets of Chicago, New York, San Francisco and throughout Canada. We also will add high-impact programs and TV in Los Angeles. With a change in our brand and performance standards last year, we set a new baseline. Based on last year's results, we are recommending large increases in both performance standards to better reflect the anticipated efforts of Experience Scottsdale.

Community & Government Affairs

Budget Notes

The Community & Government Affairs budget is increasing 27.4% in 2017-18 to cover the cost of the Visitor Industry Customer Analysis study, which is conducted every two years. This proprietary research helps Experience Scottsdale determine where advertising is placed to when messages are run in each market. It enables our organization to target, down to the household level, potential, high-value visitors with a propensity to travel to Scottsdale.

Personnel

Budget Notes

The budget for personnel is increasing 6.6% in 2017-18. Personnel costs include salaries, benefits and payroll taxes. Reforecasted salaries include vacancy savings. The 2017-18 proposed salaries compared to 2016-17 budgeted salaries reflects a change of 3.3%. The increase in personnel is due to filling the current vacant positions, increased costs associated with employee benefits, and a 3% merit pool based on employee performance. Any anticipated costs in personnel that come in less will be reallocated to marketing programs.

Operations/Administration

Budget Notes

The budget for operations/administration is decreasing 5.9% in 2017-18. This will be our first full year under our new lease at the Galleria Corporate Centre, as well as our first full year lease at Scottsdale Fashion Square for the Scottsdale Tourist Information Center. However, total operational and administration costs will decrease due to one-time expenses incurred last year that will not be incurred again. These costs were for legal, recruitment, replacement of old and broken furniture, and reconfiguring our work space to better accommodate staff work flow and additional meeting spaces. Any anticipated costs in operations/administration that that come in less will be reallocated to marketing programs.

**Hospitality and Promotional Agreement
Scottsdale Convention & Visitors Bureau and Fiesta Bowl**

THIS AGREEMENT is made and entered into this 28th day of August, 2006, by and between the Scottsdale Convention & Visitors Bureau, Inc., an Arizona non-profit corporation ("SCVB"), and Fiesta Events, Inc. (d.b.a. Fiesta Bowl), an Arizona non-profit corporation ("Fiesta Bowl").

WITNESSETH

A. The Fiesta Bowl and the Scottsdale community have had a long, mutually beneficial relationship. Fiesta Bowl teams have stayed in Scottsdale resorts and practiced at Scottsdale-area facilities for the past two decades.

B. SCVB and Fiesta Bowl desire to enter into an Agreement whereby both Fiesta Bowl football teams will lodge and practice in the Scottsdale area for the next twenty (20) Fiesta Bowl games beginning in January 2007. SCVB and Fiesta Bowl desire to enter into an Agreement whereby both football teams that participate in the next five (5) Bowl Championship Series (or commensurate governing body's) National Championship games staged in Maricopa County, Arizona will lodge and practice in the Scottsdale area at any time these games occur beginning in January 2007. SCVB and Fiesta Bowl desire to enter into an Agreement whereby one Insight Bowl football team will lodge and practice in the Scottsdale area for at least the next four (4) Insight Bowl games beginning in December 2006. Lodging for Fiesta Bowl and National Championship teams must meet Bowl Championship Series' (or commensurate governing body's) customary standards with teams assigned to resorts as outlined in Section 1.1 of this Agreement. The teams include the traveling party representing the participating teams, including all university athletes, coaches and officials representing the football teams.

C. This Agreement is intended to benefit SCVB and the City of Scottsdale, an Arizona municipal corporation ("City") by promoting Scottsdale and tourism in Scottsdale during the Fiesta Bowl and at other times.

NOW THEREFORE, in consideration of the mutual promises and obligations set forth herein, the parties hereto agree as follows:

1. **HOSTING**. Fiesta Bowl shall do the following during the entire term of this agreement:

1.1 Fiesta Bowl shall cause both Fiesta Bowl and both National Championship teams to lodge during the majority of their visit to Arizona in resorts that pay bed tax to City or to the Town of Paradise Valley. Fiesta Bowl shall also cause one Insight Bowl team to lodge during the majority of their visit to Arizona in a resort that pays bed tax to City or to the Town of Paradise Valley for the next four Insight Bowl games beginning in December 2006. Should Fiesta Bowl not be able to secure lodging for both Fiesta Bowl and both National Championship teams in City or Town of Paradise Valley resorts that

meets Bowl Championship Series' (or commensurate governing body's) customary standards, Fiesta Bowl shall have the right to locate one Fiesta Bowl team per year or one National Championship team per year in years when a National Championship game is staged in Maricopa County, Arizona, in a SCVB-member resort that does not pay bed tax to City or Town of Paradise Valley. Fiesta Bowl is required to exhaust all possibilities for lodging within resorts that pay bed tax to City or Town of Paradise Valley prior to consideration of SCVB-member resorts that do not pay bed tax to City or Town of Paradise Valley. Should Fiesta Bowl cause a Fiesta Bowl or National Championship team to lodge in a SCVB-member resort that does not pay bed tax to City or Town of Paradise Valley, Fiesta Bowl, in that year, shall cause a minimum of one additional Fiesta Bowl group as defined in Section 1.4 to lodge for the majority of their visit to Arizona in a hotel or resort that pays bed tax to City or to the Town of Paradise Valley.

1.2 Fiesta Bowl shall cause both Fiesta Bowl and both National Championship teams to conduct the majority of their practices, scrimmages and rehearsals at facilities within City and/or in facilities near City that are mutually agreeable between SCVB and Fiesta Bowl. Fiesta Bowl shall also cause one Insight Bowl team to conduct the majority of their practices, scrimmages and rehearsals at facilities within City and/or in facilities near City that are mutually agreeable between SCVB and Fiesta Bowl for the next four (4) Insight Bowl football games beginning in December 2006. City and SCVB agree to not unreasonably withhold approval of practice sites necessary to provide the best service possible to Fiesta Bowl, National Championship and Insight Bowl teams.

1.3 Fiesta Bowl shall be responsible for securing and renting its Scottsdale and Scottsdale area practice facilities. No additional funds or reimbursement for practice facilities' renovations or maintenance will be provided by SCVB or City.

1.4 Fiesta Bowl shall cause a minimum of five (5) Fiesta Bowl or Insight Bowl-related groups per year representing a minimum of 2,000 hotel or resort room nights per year to lodge during the majority of their visit to Arizona in resorts that pay bed tax to City or to the Town of Paradise Valley. A minimum of three (3) of these groups per year, representing a minimum of 1,200 hotel or resort room nights per year, must be affiliated with the Fiesta Bowl, instead of the Insight Bowl. In those years that Fiesta Bowl stages a National Championship game in Maricopa County, Arizona, Fiesta Bowl shall also cause a minimum of five (5) National Championship-related groups per year representing a minimum of 2,000 hotel or resort room nights per year, to lodge during the majority of their visit to Arizona in resorts that pay bed tax to City or to the Town of Paradise Valley. As outlined in Section 1.1, should Fiesta Bowl cause a Fiesta Bowl or National Championship team to lodge in a SCVB-member resort that does not pay bed tax to City or Town of Paradise Valley, Fiesta Bowl, in that year, shall cause a minimum of one additional Fiesta Bowl or National Championship, not Insight Bowl, group representing a minimum of 400 hotel or resort room nights to lodge for the majority of their visit to Arizona in a hotel or resort that pays bed tax to City or to the Town of Paradise Valley. For purposes of this paragraph, a group consists of a block of hotel or resort room nights documented by Fiesta Bowl and consumed by media, university alumni associations, university tour operator groups, university bands, corporate and sponsor groups,

television networks, Bowl Championship Series (or commensurate governing body) or conference officials, who travel to Maricopa County, Arizona for the primary purpose of attending or participating in the Fiesta Bowl, National Championship or Insight Bowl games. Fiesta Bowl, National Championship and Insight Bowl teams are excluded from this definition of a group and are addressed separately in this Agreement. For purposes of this paragraph, a room night is one hotel or resort room consumed for one night.

2. PROMOTION. Fiesta Bowl shall provide to SCVB and City the following promotional benefits during the entire term of this agreement:

2.1 SCVB shall be the exclusive convention and visitors bureau and hotel reservations service listed and/or promoted by Fiesta Bowl for the Fiesta Bowl and National Championship games.

2.2 Fiesta Bowl shall promote within all Fiesta Bowl promotional and collateral materials, and any National Championship game promotional and collateral materials produced by Fiesta Bowl, the SCVB's website address for an accommodations-booking page located on www.experiencescottsdale.com.

2.3 Fiesta Bowl shall refer all Fiesta Bowl and National Championship game customers, including callers and e-mail inquiries, seeking accommodations information to the accommodations-booking page on www.experiencescottsdale.com.

2.4 Fiesta Bowl shall provide a prominent link from the home page of its website to SCVB's accommodations-booking page on www.experiencescottsdale.com.

2.5 Fiesta Bowl shall promote the accommodations-booking page on www.experiencescottsdale.com to all incoming Fiesta Bowl and National Championship game groups, such as alumni associations, booster groups, dignitaries and fans.

2.6 Fiesta Bowl shall grant SCVB power to appoint one representative to be part of any committee that involves communicating/meeting with Fiesta Bowl and National Championship game groups regarding game-related accommodations. Fiesta Bowl or Insight Bowl officials shall remain the sole point of contact for discussions with bowls' football teams, the Bowl Championship Series, Bowl Championship Series' conferences and television networks for lodging arrangements.

2.7 Fiesta Bowl shall allow SCVB to take part in any promotional trips scheduled by Fiesta Bowl to the markets of the participating or proposed participating teams for Fiesta Bowl and the National Championship game. SCVB will pay for all of its expenses related to these trips.

2.8 Fiesta Bowl shall cause SCVB to receive a minimum of five (5) public address announcements during each Fiesta Bowl and each National Championship football game. The Fiesta Bowl and SCVB shall mutually agree as to the content of these messages.

2.9 Fiesta Bowl shall provide to SCVB two (2) 30-second video board spots during each Fiesta Bowl football game and during each National Championship game.

2.10 Fiesta Bowl shall provide to SCVB one (1) full-page advertisement in all official Fiesta Bowl and Insight Bowl football game programs, Fiesta Bowl Entertainment Guides and National Championship football game programs.

2.11 Fiesta Bowl shall prominently list "City of Scottsdale" and "Scottsdale Convention & Visitors Bureau" on the sponsor recognition page in the Fiesta Bowl game program, and in any other Fiesta Bowl and National Championship game publications, websites, and collateral materials where Fiesta Bowl sponsors are listed or recognized.

3. HOSPITALITY. Fiesta Bowl shall provide to SCVB the following hospitality benefits during each year of this Agreement, which SCVB shall use to entertain meeting and travel planner clients, and also as fulfillment for Fiesta Bowl-related consumer promotions established to generate Scottsdale visitor inquiries:

3.1 One (1) in-stadium suite with a minimum of 20 tickets for that suite to each Fiesta Bowl football game and each National Championship football game for sole use by SCVB. SCVB shall be responsible for all food and beverage expenses incurred for this suite.

3.2 Thirty (30) tickets to each Fiesta Bowl football game and National Championship football game. All of the tickets will be located in the best available "non suite" category of seating.

3.3 Fifty (50) tickets to each Fiesta Bowl's "College Football's Biggest Party" or equivalent pre-game party celebration for each Fiesta Bowl football game and National Championship football game.

3.4 Eight (8) tickets to each Fiesta Bowl Pre-Game Party or equivalent event for each Fiesta Bowl football game and National Championship football game.

3.5 Eight (8) parking passes to each Fiesta Bowl football game and National Championship football game.

3.6 Eight (8) game tickets to each Insight Bowl.

3.7 Two (2) parking passes to each Insight Bowl.

3.8 Four (4) tickets to each Fiesta Bowl Ball.

3.9 SCVB and City agree that no Fiesta Bowl, Insight Bowl or National Championship game tickets, suites, passes or advertising may be sold or resold by either SCVB or City to any outside person or agency.

4. **FIESTA BOWL BENEFITS.** SCVB shall provide to Fiesta Bowl the following benefits during each year of this Agreement.

4.1 SCVB shall cause City to provide Scottsdale police escorts to and from daily practices and to and from all Fiesta Bowl, Insight Bowl and National Championship football games to all teams that stay in hotels or resorts that pay bed tax to City or to the Town of Paradise Valley. The police escorts will be provided at no charge to Fiesta Bowl or the applicable teams or universities.

4.2 SCVB shall cause City to designate a Scottsdale police department representative to inform and assist Fiesta Bowl, Insight Bowl and National Championship game teams staying in Scottsdale with matters of public safety and security regarding the teams' respective stays in City.

4.3 SCVB shall aid Fiesta Bowl annually, upon request, with locating practice facilities within City for use by Fiesta Bowl, Insight Bowl and National Championship teams during their stays at SCVB-member resorts.

4.4 SCVB shall aid Fiesta Bowl annually, upon request, with securing room blocks and rates at Scottsdale and Paradise Valley resorts at or under guideline rates set by the Bowl Championship Series (or commensurate governing body) for Fiesta Bowl, Insight Bowl and National Championship game teams.

4.5 SCVB shall secure annually for Fiesta Bowl's use a block of 250 room nights at resorts that pay bed tax to City or Town of Paradise Valley that can be used by Fiesta Bowl throughout the year. Fiesta Bowl will pay a substantially-discounted rate for these room nights, the exact rate to be paid by Fiesta Bowl for these room nights will be mutually agreeable to Fiesta Bowl and SCVB. Fiesta Bowl will not be required to utilize these room nights unless needed by and acceptable to Fiesta Bowl.

4.6 SCVB shall feature Fiesta Bowl and National Championship games within SCVB's destination marketing materials, including its web site (www.scottsdalecvb.com) with a link to Fiesta Bowl's web site.

4.7 SCVB shall pay Fiesta Bowl as follows for the hosting, promotional, and hospitality benefits outlined in this Agreement.

Fiesta Bowl Games

1st Game--\$210,000
One Time--\$500,000
2nd Game--\$218,400
3rd Game--\$227,136
4th Game--\$236,221
5th Game--\$245,670
6th Game--\$255,497
7th Game--\$265,717
8th Game--\$276,346
9th Game--\$287,400
10th Game--\$298,896
11th Game--\$310,852
12th Game--\$323,286
13th Game--\$336,217
14th Game--\$349,666
15th Game--\$363,653
16th Game--\$378,199
17th Game--\$393,327
18th Game--\$409,060
19th Game--\$425,422
20th Game--\$442,439

National Championship Games

1st Championship Game--\$210,000
2nd Championship Game--\$245,670
3rd Championship Game--\$287,400
4th Championship Game--\$336,217
5th Championship Game--\$393,327

Grand Total Cash after twenty (20) Fiesta Bowl Games, twenty (20) Insight Bowl Games, and five (5) National Championship Games: \$8,226,018

In-Kind Police Services for twenty (20) Fiesta Bowl Games, twenty (20) Insight Bowl Games, and five (5) National Championship Games: \$300,000

4.8 Should the Bowl Championship Series (or commensurate governing body) adjust its model for the hosting of championship games to an arrangement where the National Championship game is played within the Fiesta Bowl game, Fiesta Bowl will receive its regularly-scheduled payment for that Fiesta Bowl game, plus an additional \$50,000 from SCVB per National Championship game played within the Fiesta Bowl game. No other separate or additional National Championship game payments will be made for National Championship games played within Fiesta Bowl games.

5. PAYMENT SCHEDULE. Fiesta Bowl shall deliver to SCVB on or before October 1, 2006 an invoice for a one-time \$500,000 payment indicating payment is due on or before November 1, 2006. Fiesta Bowl shall deliver to SCVB on or before October 1 and January 1 of each year—beginning October 1, 2006—a payment request for 50 percent of the cash amount due to Fiesta Bowl for that fiscal year, based on the payment amounts

listed in Section 4.7 of this Agreement. Payments will be due to Fiesta Bowl no later than November 1 and February 1 for each game.

6. **TERM AND EXTENSION.** The term of this Agreement shall begin August 2006 and expire the earlier of August 31, 2030, or the date that 20 Fiesta Bowl football games, 20 Insight Bowl football games, and five National Championship football games have been played.

7. **GAME INTERRUPTION.** The parties believe that the Fiesta Bowl and the Insight Bowl will be played in Maricopa County, Arizona every year and that the National Championship Game will be played every fourth year in Maricopa County, Arizona beginning in January 2007. Should any of these regularly-scheduled football games not be played in Maricopa County, Arizona, during any year of this Agreement, SCVB shall not be obligated to provide Fiesta Bowl with any payment or other performance for that year for that football game and Fiesta Bowl shall not be obligated to provide SCVB with any of the promotion, hospitality benefits or other performance for that year for that football game. The game payments shall be made in the order and in the amounts listed in paragraph 4.7. For example, if the National Championship Game is not played in Maricopa County, Arizona in 2015, then 1) no payment shall be made for the National Championship Game in 2015; 2) the amount of the next National Championship Game payment shall be the amount that would have been paid in 2015 had the National Championship Game been played in 2015; and 3) the amount of each subsequent National Championship Game payment shall be the next unpaid National Championship Game payment amount listed in paragraph 4.7. For another example, if the Fiesta Bowl Game is not played in Maricopa County, Arizona in 2007, then 1) no payment shall be made for the Fiesta Bowl Game in 2007; 2) the amount of the next Fiesta Bowl Game payment shall be the amount that would have been paid in 2007 had the Fiesta Bowl Game been played in 2007; and 3) the amount of each subsequent Fiesta Bowl Game payment shall be the next unpaid Fiesta Bowl Game payment amount listed in paragraph 4.7. For purposes of this paragraph, the annual non-championship payment shall be allocated 90 percent to the Fiesta Bowl Game and 10 percent to the Insight Bowl Game. The one-time \$500,000 payment is payable regardless of game cancellation. All other provisions of this Agreement shall remain in effect.

8. **SCVB TERMINATION.** Should City terminate its contract for Convention & Visitors Bureau services with the SCVB during the term of this Agreement and funds are not appropriated by City to continue its contract with SCVB, SCVB may terminate this Agreement. SCVB agrees to give thirty (30) days written notice to Fiesta Bowl regarding its intent to terminate this Agreement should City terminate its contract for Convention & Visitors Bureau services with SCVB.

9. **THIRD PARTY BENEFICIARY.** City is not a party to this Agreement, but is a third party beneficiary to this Agreement. Any termination or modification of this Agreement shall require City's formal prior written consent.

10. **ENTIRE AGREEMENT.** This Agreement constitutes the entire understanding of the parties and supersedes all previous representations, written or oral, with respect to the services specified herein. This Agreement may not be modified or amended except by a written document, signed by authorized representatives of each party.

11. **ARIZONA LAW.** This Agreement shall be governed and interpreted according to the laws of the State of Arizona.

12. **ASSIGNMENT.** Services covered by this Agreement shall not be assigned or sublet in whole or in part without the prior written consent of the other party.

13. **SUCCESSORS AND ASSIGNS.** This Agreement shall extend to and be binding upon both parties, its successors and assigns, including any individual, company, partnership, or other entity with or into which either party shall merge, consolidate, or be liquidated, or any person, corporation, partnership, or other entity to which either party shall sell its assets.

14. **ATTORNEY'S FEES.** In the event either party (or City) brings any action for any relief, declaratory or otherwise, arising out of this Agreement, or on account of any breach or default hereof, the prevailing party (or City) shall be entitled to receive from the other party reasonable attorney's fees and reasonable costs and expenses, determined by the court sitting without a jury, which shall be deemed to have accrued on the commencement of such action and shall be enforceable whether or not such action is prosecuted to judgment. Should either party (or City) believe any breach or default has occurred, it shall notify the other party (and City) in writing as to the nature of the dispute. The parties will have a 30-day period, upon receipt of notice, to remedy the breach or default. An independent mediator or arbitrator, as agreed upon by both parties (and City), shall be used, prior to either party taking legal action, to settle any such disputes.

15. **INDEPENDENT CONTRACTOR.** The relationship between SCVB and Fiesta Bowl shall be that of independent contractors for purposes including tax law purposes and engagement law purposes and not that of employer-employee, principal-agent, partners, joint ventures, or otherwise.

16. **NOTICES.** All notices or demands required to be given pursuant to the terms of this Agreement shall be given to the other party in writing, delivered by hand or registered or certified mail, with a copy to City, at the addresses set forth below, or to such other address as the parties may substitute by written notice given in the manner prescribed in this paragraph.

In the case of Fiesta Bowl:
Fiesta Events, Inc.
7135 East Camelback Road, Suite 290
Scottsdale, AZ 85251

With a copy to:
Snell & Wilmer LLP
One Arizona Center
400 East Van Buren
Phoenix, AZ 85004-2202
Attention: Craig K. Williams, Esq.

In the case of Scottsdale Convention & Visitors Bureau:
Scottsdale Convention & Visitors Bureau
Galleria Corporate Centre
4343 N. Scottsdale Rd., Suite 170
Scottsdale, AZ 85251

In the case of City:
Attention: Tourism Development Manager
City of Scottsdale
7447 E. Indian School Road, Suite 200
Scottsdale, AZ 85251

Notices shall be deemed received on date delivered if delivered by hand and on the delivery date indicated on receipt if delivered by certified or registered mail.

17. **CAPTIONS**. The captions used in this Agreement are solely for the convenience of the parties, do not constitute a part of this Agreement, and are not to be used to construe or interpret this Agreement.

18. **SEVERABILITY**. If any term or provision of this Agreement shall be found to be illegal or unenforceable, then notwithstanding such illegality or unenforceability, this Agreement shall remain in full force and effect and such term or provision shall be deemed to be deleted.

19. **AUTHORITY**. Each party hereby warrants and represents that it has full power and authority to enter into and perform this Agreement, and that the person signing on behalf of each has been properly authorized and empowered to enter into this Agreement. Each party further acknowledges that it has read this Agreement, understands it, and agrees to be bound by it.

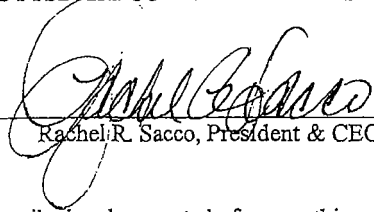
20. **PUBLICITY**. Except as may be required by law or any governmental authority, or to obtain any consents or approvals required by this Agreement, the parties hereto shall not, without the consent of the other party, make any public disclosure of the existence of this Agreement, the parties hereto, the terms hereof or any other matter related hereto.

21. **INTELLECTUAL PROPERTY**. Each party hereby grants the other party a non-exclusive license to use the trademarks, trade names and related intellectual property rights related to the promotion requirement and obligations under this Agreement; provided, however, prior to the use of any such trademarks, trade names, logos or intellectual property rights, both parties shall mutually agree on the use of any and all such property rights so as to maintain the integrity and goodwill of the parties to this Agreement. Notwithstanding anything contained herein, neither party shall have any ownership rights in the other party's trademarks, trade names, logos or other intellectual property rights.

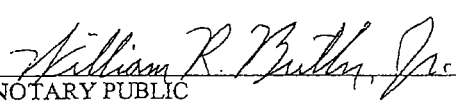
[SIGNATURE PAGE FOLLOWS]

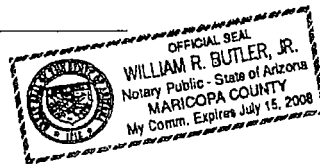
IN WITNESS WHEREOF, SCVB and Fiesta Bowl have hereunto subscribed their names as of the date first above stated.

SCOTTSDALE CONVENTION & VISITORS BUREAU, INC.

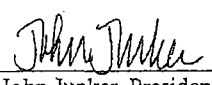
By: 
Rachel R. Sacco, President & CEO

Subscribed and sworn to before me this 28 day of August, 2006 to certify which witness my hand and seal of office.

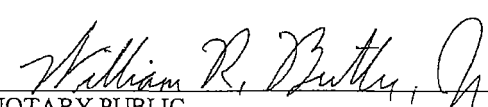

NOTARY PUBLIC

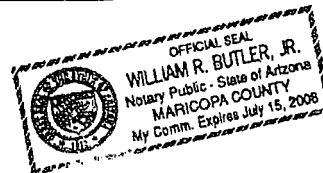


FIESTA EVENTS, INC.

By: 
John Junker, President & CEO

Subscribed and sworn to before me this 28th day of August, 2006 to certify which witness my hand and seal of office.


NOTARY PUBLIC



Experience Scottsdale

Budget for Fiscal Year July 1, 2017 - June 30, 2018

| REVENUE | Budget 2017-2018 | REVISED Budget, After True-Up | |
|---|-------------------|----------------------------------|-------------------|
| | | 2016-2017 | Budget 2016-2017 |
| Contracts | | | |
| City of Scottsdale - Basic (50%) | 9,720,579 | 9,357,000 | 9,357,000 |
| City of Scottsdale - True-up | 100,000 | 234,165 | |
| City of Scottsdale - Fiesta Bowl Pass-Through | 161,643 | 310,850 | 310,850 |
| Total City of Scottsdale Funding | 9,982,222 | 9,902,015 | 9,667,850 |
| Town of Paradise Valley | 1,311,919 | 1,275,037 | 1,275,037 |
| Fort McDowell Yavapai Nation | 100,000 | 100,000 | 100,000 |
| Salt River Pima-Maricopa Indian Community | 100,000 | 100,000 | 100,000 |
| State of Arizona - Prop 302 | 1,923,217 | 1,935,240 | 1,897,840 |
| TOTAL CONTRACTS | 13,417,358 | 13,312,292 | 13,040,727 |
| Private Sector | | | |
| Project/Program Revenue | 915,031 | 1,019,235 | 910,000 |
| Private Sector Carryover | 400,000 | | |
| TOTAL ALL REVENUE | 14,732,389 | 14,331,527 | 13,950,727 |

Experience Scottsdale

Budget for Fiscal Year July 1, 2017 - June 30, 2018

| | Budget 2017-2018 | REVISED Budget, After True-Up 2016-2017 | Budget 2016-2017 |
|--|------------------|---|------------------|
| EXPENSES | | | |
| Personnel: | 5,100,357 | 4,783,693 | 4,925,000 |
| TOTAL PERSONNEL | 5,100,357 | 4,783,693 | 4,925,000 |
| Marketing: | | | |
| Advertising | 4,442,735 | 3,858,844 | 3,919,813 |
| On Line Advertising | 874,411 | 846,503 | 548,514 |
| Agency Retainer | 55,000 | 53,000 | 70,000 |
| Printing | 366,000 | 332,997 | 296,000 |
| Production | 187,000 | 223,035 | 295,000 |
| Web Site Expenses | 65,000 | 100,000 | 127,000 |
| Event Sponsorships/Contract Obligation/Fiesta Bowl | 323,286 | 380,850 | 380,850 |
| Event Operating Expenses | 75,000 | 100,000 | 115,000 |
| Marketing Amenities/Promo Items | 89,000 | 107,000 | 103,000 |
| Photography | 58,000 | 56,911 | 68,000 |
| Strategic Planning/Research/Prof Services | 5,000 | 4,000 | 7,500 |
| Postage/Fulfillment | 167,000 | 175,300 | 259,000 |
| Call Center | 7,650 | 7,650 | 7,650 |
| Operations/Travel | 77,000 | 73,500 | 73,500 |
| TOTAL MARKETING | 6,792,082 | 6,319,590 | 6,270,827 |
| Convention Sales & Services: | | | |
| Local Meeting Expenses, Mileage, Dues | 45,000 | 54,500 | 54,500 |
| FAMs | 87,000 | 98,500 | 95,000 |
| Sales Calls/Missions | 61,000 | 49,000 | 58,000 |
| Tradeshows/Conferences | 293,750 | 267,500 | 279,500 |
| Meetings Sponsorships | 12,500 | 10,000 | 10,000 |
| Prospect Marketing and List Purchases | 160,650 | 120,700 | 110,500 |
| Sales Training | 10,000 | 9,100 | 10,800 |
| Client Events | 98,000 | 77,700 | 81,700 |
| TOTAL CONVENTION SALES | 767,900 | 687,000 | 700,000 |
| Tourism: | | | |
| Local Meeting Expenses, Dues, Postage, Supplies | 41,000 | 41,000 | 41,000 |
| Trade Representation, Co-op Programs, Sponsorships | 126,900 | 128,000 | 128,000 |
| FAMs/ Site Inspections | 18,000 | 17,000 | 17,000 |
| Tradeshows, Conferences | 81,000 | 81,000 | 81,000 |
| Sales Missions/Product Training | 101,000 | 73,000 | 73,000 |
| TOTAL TOURISM | 367,900 | 340,000 | 340,000 |

Experience Scottsdale

Budget for Fiscal Year July 1, 2017 - June 30, 2018

| | Budget 2017-2018 | REVISED Budget, After True-Up 2016-2017 | Budget 2016-2017 |
|---|------------------|---|------------------|
| Communications: | | | |
| Local Meeting Expenses, Mileage, Dues | 25,000 | 25,000 | 25,000 |
| Golf Marketing | 30,000 | 30,000 | 30,000 |
| PR Contracts/Expenses | 234,500 | 239,500 | 239,500 |
| Conferences & Media Forums | 16,000 | 16,000 | 16,000 |
| Incoming Media Program | 115,000 | 115,000 | 115,000 |
| Trade Shows | 7,000 | 7,000 | 7,000 |
| Media Missions/Events | 85,500 | 85,500 | 85,500 |
| Media Resources | 37,000 | 37,000 | 37,000 |
| TOTAL COMMUNICATIONS | 550,000 | 555,000 | 555,000 |
| Community & Government Affairs | | | |
| Local Meeting Expenses, Mileage, Dues | 10,000 | 9,000 | 11,580 |
| Research | 122,000 | 85,000 | 60,000 |
| Community & Government Affairs | 10,000 | 13,635 | 12,000 |
| Annual Meeting | 73,000 | 60,270 | 84,020 |
| Media Resources | | 795 | 1,100 |
| TOTAL COMMUNITY & GOVT AFFAIRS | 215,000 | 168,700 | 168,700 |
| Membership: | | | |
| Telephone | 400 | 350 | 750 |
| Copier Expenses | 750 | 690 | 750 |
| Postage | 2,400 | 2,400 | 800 |
| Office Supplies | 350 | 360 | 500 |
| Local Meeting Expenses, Mileage, Dues | 1,600 | 1,200 | 1,500 |
| Member Materials/Communication | 500 | | |
| Conferences/Professional Ed | 2,000 | 3,000 | |
| Out of Town Travel | 1,000 | 1,000 | 1,700 |
| Sponsorship Fulfillment | | | |
| TOTAL MEMBERSHIP | 9,000 | 9,000 | 6,000 |

Experience Scottsdale

Budget for Fiscal Year July 1, 2017 - June 30, 2018

OVERHEAD COSTS:**Operations:**

| | Budget 2017-2018 | REVISED Budget, After True-Up 2016-2017 | Budget 2016-2017 |
|---------------------------------|------------------|---|------------------|
| Software Subscriptions | 40,000 | 30,000 | 30,000 |
| Network Equipment | 65,000 | 5,000 | 10,000 |
| Office Equipment/Furniture | 15,000 | 95,000 | 50,000 |
| Training: | | | |
| Computer Training | 5,000 | 5,000 | 5,000 |
| IT and Accounting | 21,650 | 26,344 | 20,000 |
| Maintenance Contracts | 75,000 | 52,000 | 65,000 |
| Office Repairs/Maintenance | | 136,000 | |
| Office Rent | 480,000 | 408,000 | 408,000 |
| Bank Fees | 800 | 600 | 600 |
| Credit Card Fees | 9,000 | 8,100 | 8,100 |
| Payroll Fees | 9,500 | 8,700 | 8,700 |
| Property Taxes | 1,000 | 1,000 | 1,000 |
| Corporate Insurance | 32,500 | 28,500 | 28,500 |
| IT Professional Services | 20,000 | 10,000 | 40,000 |
| Audit Professional Services | 18,000 | 17,500 | 17,500 |
| Legal Professional Services | 40,000 | 64,500 | 40,000 |
| Human Resources Services | 10,000 | 10,000 | 15,000 |
| Internet Access | 15,000 | 13,000 | 25,000 |
| Telephone Lines & Long Distance | 8,000 | 8,000 | 8,000 |
| Fax Expenses | | | |
| Cable TV | 1,200 | 1,200 | 1,200 |
| Copier Expenses | 9,500 | 9,000 | 9,000 |
| Postage | 5,000 | 5,000 | 7,000 |
| Office Supplies | 15,000 | 13,000 | 13,000 |
| Dues & Subscriptions | 105,000 | 102,000 | 102,000 |
| Employee Recruitment/Relations | 25,000 | 40,500 | 16,000 |
| Printing | 1,000 | 1,000 | 1,000 |
| PS Reserve | | 150,000 | |
| TOTAL OPERATIONS | 1,027,150 | 1,248,944 | 929,600 |

Experience Scottsdale

Budget for Fiscal Year July 1, 2017 - June 30, 2018

Board & CEO:

| | Budget 2017-2018 | REVISED Budget, After True-Up 2016-2017 | Budget 2016-2017 |
|------------------------------------|-------------------|---|-------------------|
| Hotelier/Member Meetings | 1,500 | 1,500 | 1,500 |
| Telephone Lines & Long Distance | 2,000 | 1,000 | 1,000 |
| Office Supplies | 7,000 | 8,500 | 8,500 |
| Board of Directors | 15,000 | 13,500 | 13,500 |
| Local Staff Travel | 22,800 | 21,000 | 17,000 |
| Local Meeting Expense | 1,000 | 1,000 | 1,000 |
| Dues & Subscriptions | 4,100 | 3,500 | 3,500 |
| Conferences/Professional Education | 9,000 | 9,000 | 9,000 |
| Out of Town Travel | 200 | 200 | 200 |
| Copier Expense | 400 | 400 | 400 |
| Postage | 63,000 | 59,600 | 55,600 |
| TOTAL BOARD & CEO | | | |
| TOTAL ALL EXPENSES | 14,892,389 | 14,171,527 | 13,950,727 |
| NET | (160,000) | 160,000 | - |

** Carryforward amount due to vacancy and other savings in 2016-2017 to be deployed in 2017-2018 programs